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Alberta Post-War Reconstruction Committee

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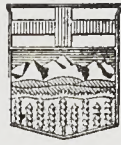
REPORT of the Subcommittee on AGRICULTURE

- POST-WAR AGRICULTURAL PROGRAMMES.
- CO-ORDINATION OF RESEARCH AND EXPERIMENTATION.
- CROP INSURANCE AS A MEANS OF REDUCING THE EFFECTS OF CROP HAZARDS.
- AGRICULTURAL EDUCATION.
- DISTRICT AGRICULTURIST SERVICE.
- AGRICULTURAL LANDS.
- LAND POLICIES AND TENURE.
- PLANNING AND UTILIZATION OF TREES.
- MARKETING AGRICULTURAL PRODUCTS.
- HEALTH OF ANIMALS.
- SOIL CONSERVATION AND WEED CONTROL.
- WATER RESOURCES.
- REPORT OF THE ST. MARY AND MILK RIVERS WATER DEVELOPMENT COMMITTEE.
- COSTS OF IRRIGATION.
- IRRIGATION RESEARCH.
- RURAL BETTERMENT.

MARCH
1945



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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourist Trade In Alberta.
2. Alberta Post-War Survey.



INTRODUCTION

The Post-War Reconstruction Committee was established with passage of The Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Honourable A. J. Hooke.

By Order in Council Number 1004-43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the Act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: Hon. A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: Hon. A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943, are detailed in the Interim Report, presented to the Lieutenant Governor in Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and incompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened, and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee, and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the subcommittee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the subcommittee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established is as follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4 1944, steps were taken to organize a Province-wide survey of household, farm, business, industrial and municipal programmes for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labour organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta, and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this Province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed, will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. To-day the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged, and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify, rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time, is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

To-day, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavour, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator, and yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. One of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein, become the property of those who use them to create and acquire more property. Thus, the fruits of their labour become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it to-day; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized to-day, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces; policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable, and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple; it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavour to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally obvious, is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom and security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this; to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favoured freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labour saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result, misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labour, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labour saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created, but since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfilment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee of persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have laboured at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor in Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

December 19, 1944.

Honourable A. J. Hooke,
Chairman,
Post-War Reconstruction Committee.

Honourable Sir:

You will find attached the Report of the Subcommittee on Agriculture for the year 1944.

As you are aware, we were appointed to examine into, and report on Agriculture, Land and Soldier Settlement as set out in the Terms of Reference.

In presenting this Report the Subcommittee wishes to express its gratitude to all those who gave assistance during the course of our studies, and without whose co-operation this committee would have found it much more difficult to carry on.

Trusting you may find this Report in order and that it may assist your Committee in coming to definite conclusions,

Respectfully submitted

Frank Laut,
Chairman, Subcommittee
on Agriculture.

Agriculture, Land and Soldier Settlement

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REPORT OF THE ST. MARY AND MILK RIVERS
WATER DEVELOPMENT COMMITTEE.
COSTS OF IRRIGATION.
IRRIGATION RESEARCH.
RURAL BETTERMENT

AGRICULTURE, LAND and SOLDIER SETTLEMENT

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The Subcommittee on Agriculture has reviewed the submissions received on matters pertaining to agricultural welfare and has considered the problems and future welfare of agriculture primarily from the viewpoint of the Province, but not without regard for national implications.

Post-War Agricultural Planning

It is evident that there is a growing conviction among those directly engaged in agriculture, supported by evidence from agricultural authorities, that the satisfactory conduct and development of future Canadian agriculture must be in accordance with a sound, well-designed programme. This conviction has been stimulated and strengthened by the results that have been achieved in Canada and other countries, notably Great Britain, by organized agricultural programmes designed to meet urgent war demands and needs. The conviction is further stimulated by the memory of the depressed conditions that confronted Canadian agriculture during the pre-war depression. It is hoped by those who have studied the situation that the recurrence of such conditions may be avoided through intelligent and effective organization. Finally it is anticipated that following the conclusion of the war, readjustment of world agricultural production will be effected. This readjustment presents problems as well as possibilities for the Canadian farmers. It is hoped that through a co-ordinated programme Canada may more effectively take her place in the international field, and by the same token, more readily adjust herself to the opportunities and possible hazards that may be presented during the post-war period.

It is assumed that governments may be expected to give leadership in agricultural planning, involving five levels; the international; the national; the provincial; the municipal; and the individual.

To develop a co-ordinated agriculture, three essentials appear to be involved:

First, a source for the originating and designing of programmes; Second, the development of these approved programmes; and, Third, their effective implementation and application. The latter will be by far the more difficult phase of the problem.

If agricultural organization is to be furthered, it should be appreciated that Canada's agriculture and its administration was evolved when there was little need for organization. But for some years prior to the war it was evident that agriculture could no longer operate economically under a policy of haphazard production and that carefully worked out productions programmes were necessary. The directive policies now in evidence are an outgrowth of this realization, intensified by the demands of a war time market.

It usually occurs that not all of the administrative functions of government are grouped under one authority. Land may be administered by one department, marketing and manufacturing by another,

crops and live stock improvement by another, and so on, but it is essential to the success of agriculture that there exist between such departments the most harmonious degree of understanding and the greatest co-ordination of effort.

THE SUBCOMMITTEE RECOMMENDS:

1. In order that municipal authority may participate more freely and effectively in the matter of future agricultural planning within the Province, The Municipal District Act, and The Improvement Districts Act, be amended to make provision whereby agricultural agencies within each Municipal District may be appointed, (subject to the supervision of the Minister of Agriculture). The function of such agencies to be the rendering of assistance to the Minister of Agriculture and municipalities in the administration of policies and regulations pertaining to the organization of agricultural production, the utilization, rehabilitation and conservation of land, and, in general, to promote co-ordinated agriculture within the municipal district concerned.

It is the belief of the Committee, that any authority charged with the responsibility of agricultural planning must have at its disposal adequate and accurate information upon which to base and formulate plans.

2. IT IS THEREFORE RECOMMENDED that, as an aid to more effective planning, the statistical services of the Province be co-ordinated, made more adequate, and that such supervision or re-organization be provided so that the information will more readily assist in agricultural planning, administration and in the determination of costs of production. That, in as much as possible, it is desirable that the crop census districts conform to municipal boundaries; and it is urged that immediate action be taken to have new crop census divisions conform to the boundaries of the enlarged municipal districts and, in so doing, consideration be given to the existing soil zones.

In as much as there appears to be a need of greater understanding by Members of Parliament with respect to administrative responsibility of provincial and Dominion Governments, notably with respect to agriculture, also with respect to the services and policies being administered by the Province.

3. IT IS THEREFORE RECOMMENDED that the Alberta Minister of Agriculture adopt a policy of convening all Alberta Members of Parliament annually, to review and discuss with the Minister, and departmental officials, and other interested officials, matters of interest pertaining to agriculture in Alberta, to the end that a more common understanding may be attained.

Co-ordination of Research and Experimentation

The Committee wishes to emphasize that matters pertaining to production have been acknowledged as a provincial responsibility. This responsibility was materially increased when the provinces assumed the administration of their land resources.

It is the opinion of the committee that the Governmental authority, responsible for agricultural production should supervise and

direct research and experimentation in fields pertaining to agricultural production;

4. IT IS THEREFORE RECOMMENDED that, in the interests of planning, economy and clarification of purpose, the Government of Alberta express its willingness to the Dominion Government to assume responsibility for the direction and administration of all agricultural experimental farms within the Province pertaining to agricultural production; and FURTHERMORE, that it is willing to take over the administration and supervision of all experimental farms and illustration stations now being administered by the Dominion Department of Agriculture, and that the services now being performed in agricultural research, and experimentation, by the Dominion Government, the University of Alberta and the Provincial Department of Agriculture, be co-ordinated under one supervising body upon which representation from the Dominion Government, the University of Alberta and the Alberta Department of Agriculture, would be provided, it being understood that provision would be made to carry out certain experimental work on a national level.

Crop Insurance As a Means of Reducing the Effects of Crop Hazards

The Research Council of Alberta has undertaken, on behalf of the Committee, a survey of crop insurance possibilities in Alberta. The information from this survey, as well as information available to the Committee from other sources, supports the following conclusions:

(1) Until more reliable crop yield data are gathered in the Province, a comprehensive scheme of crop insurance is impossible. No **workable** plan could be devised on the basis of the yield records available.

(2) The Administrative costs of any extensive crop insurance programme are necessarily high in relation to the benefits received by the insured.

(3) No scheme of crop insurance would be capable of providing against excessive, extreme, extensive or persistent crop failure conditions. Some alternative means of assistance is necessary, with or without crop insurance, to meet conditions of extreme distress.

(4) Conditions throughout the Province are not **uniformly** favourable to crop insurance:

(a) In the high-risk portions of the Province, where the need for income stabilization seems greatest, premium rates would be too high or coverage too low, to induce any large participation on a voluntary basis; unless the payment of indemnities were supported by substantial assistance from other sources;

(b) Over a large part of the Province, crop yields are sufficiently stable and farm incomes so far sustained by alternative sources of revenue, that the costs of administering crop yield insurance would prove to be out of proportion to the benefits secured.

(c) It is in the intermediate risk areas that crop insurance would

be most likely to prove successful. However, in many of these areas hail is an important factor causing variations in yields; and hail insurance is already provided by the Alberta Hail Insurance Board.

(5) The problem of yield variability is sufficiently acute to call for remedial action, if not by crop insurance, then along alternative lines.

THE SUBCOMMITTEE RECOMMENDS:

5. That efforts be intensified through appropriate agricultural channels to reduce crop hazards and their effects, through development of control measures, encouragement of diversification of enterprises, maintenance of feed reserves on farms, and extension of irrigation.

6. That there be introduced immediately a programme for collecting accurate yield data from a sufficient number of farms representing the main soil types in each district, and covering summer fallow and stubble crops; and that information gathered, which would have many other uses than in connection with crop insurance, be widely disseminated.

7. That if other measures fail to provide sufficient relief from the effects of crop yield variations the Provincial Government consider:

8. Means of inducing farmers in years of high yields to establish reserves either in grain or some "liquid" security;

9. The possibility of initiating a policy of storage of surplus or low-priced grain for feed and seed purposes to be used during periods of deficiency.

That the following steps be urged upon the Dominion Government:

10. That as it appears possible to attain the objectives of crop insurance at less cost by grain marketing devices, the Dominion Government be asked to prepare a plan for regulating of the marketing which would provide greater stability of farm income, from the sale of small grains; and that such a plan be submitted for study;

11. That The Prairie Farm Assistance Act, be continued in operation either in its present or some modified form.

Reviewing the foregoing recommendations and having regard to the possibility of taking some specific action which might relieve distress that may occur in the future arising out of crop failure, attention is directed to recommendations 5 and 9 and in recommendation 5.

THE SUBCOMMITTEE RECOMMENDS:

12. That with respect to recommendation No. 5, inasmuch as certain regions of the Province are subject to frequent crop destruction from various uncontrollable causes, the Department of Agriculture through its officials, District Agriculturists, and in co-operation with community organizations encourage the adoption of a diversi-

fication or specialization of farm enterprises to the end that greater security of income may be realized.

13. Having regard to the specific recommendation submitted under 9 in the foregoing, it is recognized that inasmuch as numerous farming communities of Alberta are periodically confronted with total and partial crop loss due to drought, frost, pests, and disease as well as other causes, also having regard that surplus production of grain occurs from time to time and also that the prices fluctuate, that the Province initiate a policy of grain storage upon an experimental basis as follows:

14. That the plan be operated upon a municipal unit basis under the joint administration of municipalities and Provincial Government, following the enactment of appropriate legislation to provide for the administration of same. (See recommendation respecting Agricultural Service Board).

15. That one or two municipalities willing to co-operate with the Government be selected as test areas.

16. That storage accommodation in each municipality be acquired by the Provincial Government under lease, the location and the amount of such storage to be determined by mutual agreement as between the municipality and the Provincial Government.

17. That the operation of storage facilities be the responsibility of the municipality concerned.

18. That the supervision and financing of the policy be the responsibility of the Provincial Government.

19. That grain for storage purposes be acquired by one or more of the following methods:

20. To be placed in storage by the farmer without remuneration, but entitling the farmer to withdraw it, without cost, when an emergency warranting its withdrawal in whole or in part is approved by the Agricultural Service Board of the municipality.
21. The direct purchase from the farmer of grain at an agreed price, the farmer being entitled to withdraw in whole or in part to meet an emergency approved by the Agricultural Board of the municipality concerned at cost.
22. The outright purchase by the Government of grain on the open market for storage at prices and in quantities agreed upon.

Grain to be withdrawn from storage in accordance with the following procedure:

23. When crop failure or loss has occurred which, in the opinion of the Agricultural Service Board of the municipality has created an emergency, the amounts to be withdrawn to be specified by the said Board.
24. In the event a ratepayer disposes of his estate within the municipality and ceases to become a further liability to the municipality.

25. Upon the decease of a ratepayer.

26. Any grain purchased outright may be sold at the price agreed upon, and the price may include an amount to cover administration costs.

27. The management of surplus storage to be granted the right to sell outright at a profit quantities to be determined for the purpose of assisting in defraying the cost of administration.

28. Detailed regulations to be drafted by interested parties to cover administration of acquisition, storage and disposal of grain stored under suggested plan.

Agricultural Education

It is generally agreed that, in a province where agriculture is the predominant industry, vocational training in Agriculture and Household Science should be made available for those who anticipate engaging in Agriculture as a life vocation.

Much favourable comment has been received with respect to the training given at the Provincial Schools of Agriculture, and IT IS THEREFORE RECOMMENDED:

29. That the facilities of the Schools of Agriculture be extended to effectively provide for training of a substantial proportion of the young people of the Province who would normally be expected to engage in Agriculture.
30. That the courses offered by the Schools of Agriculture be made an objective for young men and women in public and high schools who show an aptitude for Agriculture.
31. That the Board of Agricultural Education, as provided for in The Agricultural Schools Act, be re-established by the Minister of Agriculture with representation thereon being provided for farm organizations, school trustees associations, Municipal District Associations, the University of Alberta, the Department of Education and the Provincial Department of Agriculture.
32. That such a Board be so designed as to become an effective co-ordinating body with respect to agricultural education as between public and High Schools, Schools of Agriculture and the University.
33. That there be appointed a Superintendent for the Schools of Agriculture to direct, supervise and to co-ordinate the activities assigned to the Schools of Agriculture.
34. That a specially designed course in agriculture be provided for those students attending public and high schools and who, in all probability, will not engage in Agriculture as a life vocation.
35. That in considering agricultural education, the services at present rendered through District Agriculturists, Junior Grain Clubs, Farm short courses, etc., should be considered as part of the agricultural education programme of the Province.

District Agriculturist Service

THE SUBCOMMITTEE RECOMMENDS:

36. That the District Agriculturist Service be expanded as rapidly as circumstances permit to the end that there shall be at least one District Agriculturist each, for most of the enlarged municipalities.
37. That in order to develop a greater sense of responsibility on the part of the municipal councils with respect to the welfare of their people to create a greater interest in policies and programmes designed to assist in overcoming local agricultural problems and to more effectively utilize the district agriculturist service, there be set up in each enlarged municipality a board to be known as an Agricultural Service Board, and that similar boards be set up in unorganized territories.
 - (a) That each Agricultural Service Board be composed of not fewer than three and not more than five members, one of whom shall be a district agriculturist appointed by the Minister and who shall be his official representative, and at least two by the municipality.
 - (b) That the Agricultural Service Board be the official body through which the Minister of Agriculture might implement all policies affecting the municipality.
38. (a) That the functions of the Agricultural Service be: To study local needs and agricultural problems and to secure all information which might have a bearing on an intelligent solution of the problems;
40. To advise and make recommendations to the municipal council and to the Minister of Agriculture respecting ways and means of solving the problems.
41. To assist in implementing the programmes and policies which are designed to solve the problem by the co-ordinating of the facilities of the municipality and the services of assistance that may be rendered by the Department of Agriculture through its various officials.
42. To act as the official body through which the Minister of Agriculture might implement policies affecting the municipality.
43. That necessary legislation be enacted to provide for the formation of Agricultural Service Boards. It is suggested that an Agricultural Committee Act be introduced by the Minister of Agriculture at the next Session of the Legislature;
44. That the following specific projects might be considered as legitimate problems for the consideration of Agricultural Service Boards:
 - a. To assemble information pertaining to agriculture and the personal welfare of all rural citizens in the municipality;

- b. To direct and supervise a weed control programme and the activities of Weed Inspectors, and to give general supervision to disease and pest control in both crops and animals;
- c. To give guidance in land utilization, crop rotation, and the elimination of climatic and other hazards;
- d. To assist with the adoption of agricultural programmes appropriate to local needs and to eliminate substandard agricultural practices with a view to improving the economic welfare of the farmer.
- e. To give guidance and leadership in home improvement projects and in programmes designed to assure adequate nutritional standards and satisfying living standards for all;
- f. To determine opportunities for the rehabilitation of veterans, the establishing of young farmers on land and the retirement of older farmers;
- g. To assist in promoting the education and training of farm youth in Agriculture and Home Economics;
- h. If national agricultural planning develops in post-war years, to effect and give direction to such plans within the municipality;
- i. In co-operation with the Department of Agriculture, to supervise and organize such emergency relief programmes as may from time to time be appropriate to meet emergency needs of the municipality;
- j. To foster co-operation with the Department of Agriculture in all matters directed toward farm betterment and educational programmes;

45. That the District Home Economist Service be expanded as rapidly as circumstances permit.

46. That provision be made by the Department of Agriculture to give extension workers supplementary professional training and that in certain cases workers be sent to pursue special studies at appropriate institutions in Canada or in the United States.

Agricultural Lands

As nearly as can be ascertained at present, the following table gives the approximate areas and dispositions of Alberta land according to soil zones:

A. Brown Soils

Total area	12,500,000 acres
Arable	2,000,000 acres
Cultivated	2,700,000 acres*

B. Dark Brown and Shallow Black

Total area	15,750,000 acres
Arable	9,000,000 acres
Cultivated	7,000,000 acres
Uncultivated arable	2,000,000 acres

C. Black and Black-Grey Transitional

Total area	10,000,000 acres	
Arable	7,500,000 acres	
Cultivated	5,500,000 acres	
Uncultivated arable		2,000,000 acres

D. Grey-Wooded, Transitional, and Black North and West of Main Black Zone

Total area	30,400,000 acres	
Arable	13,400,000 acres	
Cultivated	2,775,000 acres	
Uncultivated arable		10,625,000 acres
Total uncultivated		14,625,000 acres

*It will be noted that in Zone A the area cultivated exceeds the area of arable land. This excess is being removed from cultivation as fast as possible.

It would appear that any agricultural expansion must take place within Zones B, C and D if economic conditions remain the same or nearly the same as they have been during the past decade. The dark brown and shallow black zone forms largely a wheat producing area and most of the uncultivated arable land in it is occupied by farms, leaving therefore, little room for more farm operators. The black and transition soil zone lies in a more humid area, is better suited to mixed farming, and the 2,000,000 acres of uncultivated arable land in this Zone would support a considerable number of farm families, depending upon economic conditions, especially the prices of agricultural commodities. In these two zones practically all of the farm land has undergone some development and roads and other social services are being developed.

Information regarding the grey-wooded soil zone is not sufficiently specific or extensive. This indicates the immediate need for systematic soil surveys and allied investigations in this area for the purpose of gathering essential information regarding its agricultural possibilities. It has been estimated that there are 35,000 quarter sections suitable for settlement, but much of the land is undeveloped and lies in areas where transportation facilities are poor and where social services such as schools, etc., are lacking. This zone includes most of the Grande Prairie, Peace River and Fort Vermilion districts.

Considerable study has been given to the suitability of these soil zones for the production of farm produce and conclusions may be summarized as follows:

2. The brown and shallow black zone is largely wheat producing, although there is scope for diversification. In 1941, this zone produced 47% of the wheat, 20% of the oats and 32% of the barley grown in Alberta.

The black zone is the most densely populated and because of soil and climate, tends more toward mixed farming. In 1941, it produced 28% of the wheat, 67% of the barley, and 49% of the oats grown in the Province. It also produced 59% of the hogs and a substantial percentage of cattle, dairy products and poultry. The fact that there are two million acres of arable, uncultivated land in

this area where communications and social services are already fairly well developed suggests that immediate attention should be given to making a more complete use of these lands.

THE SUBCOMMITTEE RECOMMENDS:

47. That adequate soil surveys of all useful land within the Province be proceeded with and completed at the earliest possible moment. In connection with soil surveys, the Committee would point out that, notwithstanding the vital importance to the individual farmer, to the agriculturist and the community as a whole of soil surveys, and notwithstanding that the Province has been fortunate in having highly qualified soil specialists at its disposal, from the years 1924 to 1934 less than \$40,000.00 was expended in conducting soil surveys. Furthermore, that at the present time no expenditures are being made by the Province except for small amounts being spent by the University. Since 1935, practically all funds available for soil survey work has been provided by the Dominion Government through the P.F.R.A. The subcommittee therefore recommends:
48. That the Province provide an annual amount equal to the expenditures made by the Dominion Government under The Prairie Farm Rehabilitation Act.
49. That the Experimental Farm and Illustration Station and District Agriculturist Service be expanded in the grey-wooded soil zone with a view to establishing sound agricultural practices for that area;
50. That attention be directed to making a more complete use of the uncultivated arable black soils.
51. That development of an equitable system of assessment for taxation purposes be studied.

Land Policies and Tenure

The development of Western Canada to date has been characterized by the unconditional disposal or transfer of public domain to private control in the hope that, by this process, happy prosperous and permanent homes would be established on the prairies and that similarly happy communities would develop, but this attainment has not been realized in full. Among the evils which have developed are speculation, inflation of land values, uncertainty of tenure, all of which have placed the occupant in a position of relative instability and insecurity, which render it difficult for him to design a lifetime agricultural programme.

The ideal to be sought is a form of land tenure that will give security to the operator, permit conservation of the soil, provide incentive and satisfactory compensation to the operator.

From the viewpoint of actual land settlement, readily available credit is desirable and essential, but its use is a partial remedy only. In practice, there is a choice between borrowing capital to buy land, or paying rent to the present owner. The increase in tenancy is evidence that a substantial number of farmers prefer, or are forced, to

rent, notwithstanding its limitations and insecurity. The probability is that unless present policies are altered, the swing toward tenancy will continue.

Research establishes that there is a need of a uniform plan of land tenure for land held or acquired by Provincial and Municipal authority. Its principles should embody security of occupation; self-liquidating financial obligations; privileges of occupation to embody responsibility to reclaim, conserve and enhance the value of the holdings, and under any system of tenancy the operator should have the privilege to attain ownership or be compensated for improvements.

Because of the common preference for the private ownership of land, every effort has been made in the past to make land redemption easy, because removal of land from private ownership removes it from the tax roll. Public ownership has been confined largely to marginal and sub-marginal land, but the municipality is vitally interested in the ability of such lands to pay for social services and at no time become a charge upon the community. It is important that this condition be recognized and that co-ordination of administrative responsibility as between the provincial and municipal governments be established.

The practical problem facing any active and prospective farmer is that the natural hazards confronting farmers in certain regions of the Province make ownership of land an uncertainty. In such regions there has not as yet been implemented an adequate form of land tenancy which gives the occupant a comparable degree of security as can be obtained under a purchase agreement. The fundamental problems of land tenure confronting the farming communities of Western Canada have manifested themselves in many countries of the world, and in their acute form have given rise to governmental action under which significant developments have occurred. When poverty, uncertainty and instability of livelihood become provincial problems, remedial measures have to be instituted. In accomplishing land tenure reform one of two courses have usually been followed. First to assist tenants to become owners, and, second, to improve the status of the tenants without converting them into owners. Improvement in the status of tenants offers a direct and immediate remedy. Public attitude, customs and traditions are the great obstacles. Nevertheless, to guarantee security and freedom from excessive debt, and opportunity to enjoy the fruits of production, environments must be improved so that enterprise may thrive.

Provincial and municipal authorities have exceptional opportunities to lead the way in restoration and establishment of operators upon a farm tenancy basis, which, if adopted as a principle, would constitute a foundation for a provincial land policy.

THE SUBCOMMITTEE RECOMMENDS:

52. That a uniform basis of land tenure be agreed upon as between Provincial and Municipal authority;
53. That the annual amount collectable by the Provincial or Municipal authorities from rental be limited to an amount equal to the total tax levy.

54. That a cash rental basis be adopted, such rental to include and permit the payment of a sum in excess of the actual amount of the current taxes in order that a reserve fund may be created to provide for years of low farm income. Any accumulation of the reserve fund to be held in trust and bear interest to the credit of the lessee.
55. That a lease contract give the lessee the privilege of acquiring ownership at a specified price, provided the purchase price can be paid in full from funds that have accumulated in the Trust Account; the said fund to be acquired out of the net earnings from the farm. By this process the lessee may acquire a land or cash estate at his own discretion.
56. Withdrawal may be made from the Trust Account for (a) Purchase of Land; (b) Payment of Taxes; (c) Debts due the Crown; (d) Erection of buildings, or making of improvements to the land, any balance to be payable to the lessee at the termination of the contract.
57. The lease contract to extend for any period of time up to fifty (50) years and provide for a review of the terms of the contract, or a modification of the same every succeeding seven (7) years, and all improvements be the property of the tenant.

A lease-hold of the foregoing design would possess the following advantages:

- (a) Provide security of tenure throughout the active life of the contract holder—fifty years.
- (b) Place the onus of the decision with respect to the merits of leasehold and personal ownership upon the contract holder.
- (c) It may be self-liquidating. Investment of capital in land is unnecessary. If the land is worth buying, it may be bought; if lease-hold is more advantageous, it may be retained as such. It is assumed that ownership of all improvements is secured by the contract holder.
- (d) The compulsory saving features should guarantee to the taxing authorities continuity of revenue, with the minimum of distress to the contract holder.
- (e) The Trust Account would reflect the frugality, managerial ability of the farmer and the productivity of the farm. It would cushion the impact of economic and natural hazards. It would obviate the necessity of contract holders paying interest on land over extended periods.
- (f) The payment of interest upon the Trust Account would enable the contractor to establish either a cash or a land estate.
- (g) Taxing authorities would be placed in prior position.

Such a land policy presumes:

(1) Agreement as between municipal and Provincial authorities to adopt the same policy with respect to agricultural lands.

(2) The setting up of a land account by the Province into which all rentals in excess of taxes and into which proceeds would be paid in the event of the land holder purchasing a leasehold. Revenues from purchases would contribute to the payment of interest on accounts.

Planting and Utilization of Trees

Forests are a multiple-use of agricultural resources. Not only do they contribute timber, pulp-wood, and fuel, but they also provide watershed protection, soil protection from erosion, wild-life conservation, recreation and tourist attractions, and not a little forage for range live stock. Argument still continues as to whether forests affect rainfall, but no question can be raised as to their importance in regulating run-off, reducing flood levels and raising low-water levels.

All the foregoing advantages of forests are important, directly or indirectly, to Agriculture. In addition, farm wood lots, shelter belts and shade trees have special functions. Their wide distribution over the country gives them an enhanced importance in protecting soils and watersheds, in sheltering stock and in contributing to the pleasantness of the countryside. Well managed wood lots yield an annual crop of timber and fuel comparing not unfavourably in profitability with other farm crops.

Early settlers looked upon the forest as a barrier to settlement and cleared it ruthlessly. They are still doing this in the wooded belt which skirts the grasslands of the prairie provinces.

The National Research Council had made a promising start on a programme of forest tree breeding in the years immediately preceding the war, but this, unfortunately, has been delayed by war conditions. There are great possibilities for producing new varieties of commercial trees, more resistant to drought, insects, and disease, and otherwise better adapted for western farm wood lots and shelter belts.

The free distribution of young trees by the Dominion Forestry station at Indian Head, and by the Provincial Department of Lands and Mines is commended. Tax remission for planted areas would be another way to stimulate planting.

Soil surveys of wooded areas should precede settlement, and land which is not well suited to agriculture should be excluded from colonization. Keeping such land in forest will protect and enhance the value of surrounding farm lands. Earlier mistakes in settlement should be rectified where possible, replanting marginal and sub-marginal lands with suitable commercial trees.

Privately owned forest land should not be exempt from regulation in the public interest. The public has too large a stake in the multiple functions of forests, especially in watershed, soil and wild-life protection, to sit idly by while the future of their country is irresponsibly prejudiced.

THE SUBCOMMITTEE RECOMMENDS:

58. That the Alberta Government enact legislation to ensure the preservation of reasonable portions of wooded lands in newly settled districts and to encourage tree planting in older settled parts.
59. That soil surveys of wooded areas should precede settlement and that land which is not well suited to agriculture be excluded from colonization.
60. That in agricultural instructing and farm planning, a greater emphasis be placed upon trees and their economic value as a farm crop that will mature during the lifetime of the farmer.
61. That through District Agriculturists mechanical planting equipment be provided to reduce the labour involved in planting of seedling trees, this equipment to be available for demonstration purposes.
62. That the benefits to be derived from tree planting as a means of reducing wind velocity, and moisture transpiration from growing crops be emphasized and applied.
63. That closer association be established as between the provincial Department of Agriculture and the Provincial Forestry Branch in evolving a forestry policy for the Province of Alberta.
64. That District Agriculturists be given special instructions in the management of tree lots, to the end that the greatest economic returns may be realized.
65. That a Committee composed of representatives from the Forestry Branch of the Department of Lands and Mines, the Department of Education and the Department of Agriculture be appointed by the Ministers of the above mentioned Departments to investigate the possibilities of timber farming in forest regions as an occupation and a source of employment.

Marketing Agricultural Products

Due to Canada's economic dependence upon export markets, the designing of our national economy, and the designing of our market structure are largely a Dominion responsibility. The Province may assist and contribute to find markets in a limited degree, but its plans, for the most part, must conform to the limitations and possibilities of the larger national plan.

The Committee wishes to emphasize that under The War Measures Act all major farm commodities are now being (in a more or less degree) produced and disposed of under a system of controlled marketing and a price basis both on the export and in the domestic market.

The Dominion Government has recently enacted legislation entitled "An Act for the Support of Prices of Agricultural Products during the transition from War to Peace", by which it is proposed to effect price payment and market policies for farm commodities

when the present control under The War Measures Act has to be relinquished. It should be observed that control of wheat, as marketed, under the Canada Grain Act is not included in the recent "Act for the Support of Prices of Agricultural Products During the Transition from War to Peace."

At no previous time in the history of Canada has the producer had the opportunity to dispose of his products under so extensively government-controlled market and price policies or has had so important a voice in the establishing of marketing methods and the price levels. These policies have been implemented in a large measure to create a measure of agricultural stability during the war period. While it is true that measures have been implemented in a large degree due to the war emergency, nevertheless the operation of the various policies has provided the administrative authorities and the farmers of Canada with an invaluable opportunity to study the advantages and limitations of the various methods of controlled production, stabilized prices and supplying consumer markets.

66. It is recommended that having regard to the foregoing, the Board appointed under the "Act for the Support of Prices of Agricultural Products During the Transition from War to Peace" be extended by placing under the Chairman of the above-named Board the Agricultural Advisory Committee of the present Meat Board for the purpose of formulating approaches to the problem of effective marketing price structure for agricultural commodities during the post-war period.

67. That inasmuch as the Provinces of Alberta and Ontario are the largest producers of bacon, and are vitally interested in the maintenance of a continuous supply to the British market and the creation of a demand for Canadian bacon during the post-war period, that the Provincial Departments of Agriculture of the aforementioned provinces, along with the Dominion Department of Agriculture, formulate ways and means of establishing truly Canadian marketing facilities for bacon in Britain and, if necessary, financial assistance be provided by this Province as an aid in providing such facilities.

68. That inasmuch as designing of our export markets is a Dominion responsibility, Provincial authorities direct their attention to formulating policies and practices that will tend to produce high quality products with a maximum of efficiency, thus insuring adequate returns to the farmer and, yet, maintaining a place for our products in the markets of the world.

Health of Animals

Next to the products of the soil, production of healthy live stock is most vital to the future welfare of Agriculture in Alberta.

To maintain the industry in a secure position and in proper balance, three well known limitations must be given serious consideration:

- (a) Inadequacy of professional veterinary services;
- (b) Losses due to disease and malnutrition for farm live stock;
- (c) The lack of adequate facilities to provide diagnostic and research work in the nutrition and diseases of live stock, including fur-bearing animals.

The following table shows numbers of practising Veterinary Surgeons in each Census Division in relation to the live stock population and area in square miles:

	Area in Sq. mi.	xCattle	xSheep	xSwine	xPoultry	Surgeons Veterinary
1	7,500	110,760	152,900	35,600	353,930	0
2	6,500	152,110	191,440	126,200	701,670	2
3	7,500	85,920	233,600	52,000	470,950	1
4	7,000	121,450	32,370	88,300	673,510	2
5	10,000	77,310	55,280	26,300	385,060	1
6	13,000	227,160	47,720	226,000	1,237,370	7
7	8,000	145,080	26,720	123,700	659,550	2
8	7,500	213,510	68,810	290,700	1,437,610	10
9	20,000	76,550	35,450	139,800	412,540	1
10	7,500	164,790	25,180	293,100	1,615,720	2
11	5,500	121,710	37,470	293,100	1,450,040	6
12	18,500	22,310	8,330	36,300	200,580	0
13	9,000	59,050	18,820	130,300	478,420	1
14	10,000	88,210	40,880	254,100	1,140,380	0
15	30,000	23,380	15,230	33,700	141,240	0
16	12,000	46,940	32,340	88,800	418,630	1
17	43,500	6,560	970	9,900	41,200	1
T'ls	223,000	1,742,800	1,023,200	2,278,900	11,818,400	36

x—Live Stock Survey—June, 1944, Extension Branch, Alberta Department of Agriculture.

Among the 36 veterinary practitioners, 27 are over 50 years of age, with an average of approximately 60 years. Up to the end of 1944 only four recent graduates have established in practice during the years of wartime prosperity and only one of these in a rural district.

Since the field for graduates of veterinary science has widened, opportunities in occupations other than private practice, have often shown more attraction. By and large, this has resulted in virtually all parts of the Province being regarded as unprofitable for establishing in a practice which would be confined to farm animals. City practice is usually found profitable because it includes the treatment of pets and in some instances the veterinarian is a part time municipal meat inspector. In the rural areas veterinary practice is often combined with farming because it does not produce sufficient income by itself.

The lack of qualified veterinary practioners in large areas of the Province has provided a fertile field for unqualified handimen to subsidize their farming operations with revenue from illegal veterinary practice. It is often in desperation that farmers seek such assistance, but in some cases experience has warranted a certain confidence in these men. However, some means must be sought to relieve this feeling of desperation and replace it with an adequate veterinary service for all parts of the Province.

The general public in Alberta is becoming conscious of the close relationship that has developed between the studies of human and veterinary medicine. The modern veterinary graduate is able to serve mankind, not only by safeguarding the health of animals, but also by protecting the public health through his training and

knowledge of many diseases transmissible from animals to man. This knowledge equips him for work relating to the inspection of meat and dairy products. Thus, it is conceivable that a plan aimed at improvement of veterinary services could also reduce the cost of, and improve the public health services.

The foregoing suggests how circumstances have contributed to discouraging young men from entering the veterinary profession while the need for graduates has increased.

Possible Solution

It would appear that the subsidizing of a veterinary practice by formulating some provincial or co-operative plan is one possible approach to the problem. Such a plan in itself would be inadequate, however, in meeting the needs of live stock interests. It would also be necessary to consider the state of nutrition and breeding qualities of live stock throughout the Province. Therefore, adequate facilities for research and diagnostic work should be provided as a support to the practising veterinarian, as well as live stock improvement programmes.

Thus, a scheme designed to improve live stock and eliminate losses must be wide enough in scope to enlarge present live stock improvement policies and to provide facilities and staff necessary for research work into nutrition and diseases of animals in a practicable manner.

The success of a scheme of this nature would depend on the establishment of a well directed centralized administration to co-ordinate the various aspects of such a programme.

THE SUBCOMMITTEE RECOMMENDS:

69. That a provincial Animal Health and Improvement Policy be developed and administered by the Province, and, in order that a permanent source of revenue for the carrying out of such a programme be provided to meet capital and operating expenditures, that the revenue be secured by means of appropriate legislative enactment from the following sources without prejudice to existing services:

- (a) By an assessment upon all Alberta live stock, including domesticated fur-bearing animals, marketed through the regular marketing channels;
- (b) From revenues now obtained from the implementation of The Horned Cattle Purchasers' Act.

What Could Be Accomplished By Such A Plan:

- A. Activities that are at present financed from the sources of revenue referred to would continue and could be further extended;
- B. Staff, buildings and equipment could be provided for
 - (a) Administrative aspects of the plan, to include a strong centralized set-up so that its activities in the field would be organized to give efficient service. This would include adequate quarters for a diagnostic laboratory;

- (b) Facilities for research on conditions relating to animal nutrition and disease;
 - (c) Provision for specialists could be made to work in fields requiring them e.g.—specialist for diseases of fur-bearing animals, specialist for poultry diseases, etc.
- C. Veterinary practice could be subsidized to make it profitable enough to attract well trained young men to serve the needs of Alberta's live stock industry.

The following considerations are worth recording:

1. Veterinary services might be made available in all parts of the Province on the same basis by allowing the subsidy to absorb travelling expenses.
 2. The farmer could obtain professional aid at a cost laid down in a fixed schedule or contractual basis of charges, which would depend on the work and skill required and on the value of the animals being treated.
 3. The plan should aim to put emphasis on how to attain health, rather than on how to cure disease. This can be done by including the administration of provincial regulations as well as other duties in the interest of public health.
- D. Other services could be considered as the plan matures.

Soil Conservation and Weed Control

It has been pointed out to the Committee that extensive losses to agriculture are caused by the prevalence of noxious weeds which reduce income and debilitate land. Weed control measures to minimize these losses and to safeguard the soil have, by authority of The Noxious Weeds Act, been delegated to municipal authority for administration by more or less qualified inspectors appointed under the Act. While this legislation provides the opportunity of enforcement, it is recognized that more than regulations are required to implement a sound programme to destroy weeds and conserve soil.

The following may be cited as defects in our present policy of soil conservation and weed control:

1. Provincial legislation designed to control weeds has been handed to the Municipal authorities to administer.
2. Weed control has been frequently regarded by municipal councils as a function of the Provincial Government, largely because of administrative difficulties. Councillors themselves are not always interested in a personal way, nor do they assume municipal responsibility towards conservation. All too often they are content to allow soil to become debilitated and to leave all responsibilities to the occupant or to pass such responsibilities back to the Department of Agriculture.
3. When enforcement of the Act by delegated responsibility is left to disinterested municipal bodies, incompetent weed inspectors are usually appointed.

4. Some uninterested municipal bodies, and in many cases, individuals evade responsibilities on the grounds that provincial lands and land lying below the high-water mark on receded lakes present infestation difficulties with few practical means of control.
5. The Act was conceived and put into effect when lands of the Province were relatively clean. It was designed to prevent the introduction and intrusion of weeds, rather than to provide for their eradication or the reclamation of land already infested.
6. Present legislation does not provide adequate measures of eradication where the presence of weeds is due to personal factors; when the individual through wilful neglect, incompetency or inability cannot cope with the situation, due to the limitations of equipment or finances.
7. The Act made no provision for the subsistence of the owner when implementation of the terms of the Act involved a temporary reduction of his means of livelihood.

Municipal Councillors are usually laymen, primarily concerned with earning a living. Technical advancement in control of noxious weeds, their identification, means of dissemination and the development and progress being made in the manufacture of herbicides and their methods of application, etc., are important factors in weed control which are very difficult for the average municipal official to keep up to date, or in touch with. Therefore, where such serious conditions pertaining to weed infestation are developing, or prevail, the lack of technical support or knowledge necessary to cope with the situation must be provided from outside sources.

The need for control of weeds along with the conservation and reclamation of land, arises out of a sense of personal, municipal and provincial stewardship and pride in the preservation of our great heritage—LAND; ALSO a genuine pride and desire for the general well-being of those dependent upon the soil. It is apparent to most that interests or desires of the individual may be incompatible with the interests of society. Therefore, if society is going to be protected, it must naturally take action on its own behalf. The extent to which it will take action will be determined by a realization of the seriousness of the problem.

The Weeds Act as it now stands imposes the responsibility upon the individual. If society, as represented by municipal and provincial governments, is to take action what policy is to be pursued?

THIS SUBCOMMITTEE RECOMMENDS:

70. That the municipalities, the Provincial Department of Agriculture and the Provincial Department of Municipal Affairs concern themselves with the problem and take the following action:

71. That there be established in each municipality an Agricultural Service Board composed of representatives of the municipality, the Department of Agriculture and resident ratepayers of the district, and that the Board be the official body through which

the Minister of Agriculture will implement all agricultural policies affecting the municipality, and the Government representative appointed on the Board shall be the District Agriculturist.

72. The functions of the Agricultural Service Board with respect to land utilization shall be:

- (a) To assemble information pertaining to lands and land utilization within the municipality.
- (b) To direct and supervise a weed control and soil conservation policy within the municipality.
- (c) To direct and supervise municipal fieldmen charged with the responsibility of administering weed control and soil conservation policies within the municipality.

In order that this Agricultural Service Board may function effectively and the Department of Agriculture may aid municipal authority with respect to weed control, conservation and rehabilitation of land or that assistance might be provided to land owners or lessees, the following provisions are recommended:

73. That legislation be provided for the establishment of Agricultural Service Boards for the purpose specified, and to consist of representatives as previously named, including the appointment of District Agriculturist, as a member of the Board.
74. A further amendment to legislation permitting municipalities, upon a declaration from the Agricultural Service Board that lands have become a menace to adjoining fields due to inability or neglect of the occupant or for any other cause, to declare such lands debilitated and the municipal secretary upon receiving such declaration shall notify the occupant that all lands under his jurisdiction shall be subject to one of the following three forms of control depending upon the degree of debilitation:
 - (1) Supervision;
 - (2) Rehabilitation; and
 - (3) Reclamation.

Supervision

Under a supervision order the occupant and the field supervisor shall agree to follow a definite and agreed practice over a specified period for the purpose of restoring the productivity of the land, the elimination of noxious weeds, and to provide encouragement and assistance to the farm occupant. It shall be the duty of the field supervisor to assist the occupant in this programme in consultation with the District Agriculturist.

Rehabilitation

Where in addition to planning as required under "supervision" there is by necessity need for expenditures for equipment or for the performance of custom work wherein the municipality shall have to be reimbursed for services performed, such an occupant shall be subject to an order for control under "rehabilitation" and as such,

recoverable assistance may be provided under Government policy to put into practice on the farm a recommended and supervised programme of soil and crop improvement.

Reclamation

Where the present occupant is incapable of taking care of the land as so declared by the Agricultural Service Board such land shall be subject to a reclamation order and its utilization and administration shall be directed by the Municipality until such time as it is reclaimed and expenditures recovered.

The object of the above legislation would be to prevent lands from becoming debilitated to the point of being a liability to a district by forceful persuasion of the occupant and, if necessary, by directing farm operations until such time as the productivity of the land has been restored and the menace of weeds to surrounding territory has been removed.

IT IS RECOMMENDED

75. That in addition to moneys that may be provided by direct appropriation from the Provincial Government that an assessment be made on all grains delivered to licensed dealers; this assessment not to exceed one mill per bushel on all grains so delivered, and revenue so obtained be utilized to assist in the administration of soil conservation and weed control programmes as undertaken by Provincial and municipal authorities.

Water Resources

The subcommittee has had before it numerous reports pertaining to the conservation and development of water resources in the Province of Alberta. In this connection it should be observed that the Province of Alberta has a peculiar responsibility with respect to this problem inasmuch as a large portion of the water originating on the eastern slope of the Rocky Mountain watershed has its source in Alberta or flows through Alberta.

The efficient utilization and the development of these great resources should be a matter of peculiar concern to the Province of Alberta, not only in the interests of the citizens of Alberta, but in the interests of the people of all Canada.

The utilization of these waters is largely divided into two groups, namely, utilization for industrial purposes and for agricultural purposes. This Subcommittee has been concerned with the latter. From the agricultural point of view, utilization of water for irrigation purposes is of major importance. The possibility of the future development compels consideration of a number of fundamental facts pertaining to the utilization of water supplies for irrigation purposes. It is pointed out that the increased demand for water for hydro, industrial and municipal purposes will in time adversely affect the availability and utilization of the natural flow of water for irrigation purposes.

Secondly, that the amount of water now being delivered to irrigation districts is in excess of the legal water duty or the amount to which such districts are actually entitled. It is, therefore, in the interests of the people of Alberta and the people of Canada that

careful consideration be given to the most efficient use of these waters, having in mind that the irrigable lands in Western Canada far exceed the available water supply.

Surveys and investigations which have been made reveal that the development of certain projects should receive immediate attention particularly as a post-war programme.

The following is a list of the proposed post-war projects in order of priority:

- (1) St. Mary and Milk Rivers Irrigation Development.
- (2) Extension of Canada Land and Irrigation Company.
- (3) Aetna Irrigation Project.
- (4) Willow Creek, Granum, Lethbridge Northern, Carmangay Development.
- (5) Macleod Irrigation Project.
- (6) The Buffalo Lake-Red Deer River Irrigation and Power Development.
- (7) Storage Reservoirs:
 - (a) The Gap Reservoir Site—Oldman River;
 - (b) The Canyon Reservoir Site—Castle River;
 - (c) The Gap Reservoir Site—Clearwater River;
 - (d) The Gap Reservoir Site—North Saskatchewan River.
- (8) River channel improvement.

In the development of the water resources for irrigation purposes, the solution to a number of problems must be found. These problems were carefully reviewed by the Water Development Committee of the St. Mary and Milk River projects. These projects are typical of many of the other projects contemplated for development. It is therefore important that a mutual understanding be arrived at as between provincial and dominion authorities with respect to future developments.

A Report of the St. Mary and Milk Rivers Water Development Committee, established by a Dominion Order in Council (P.C. 682 of February 17, 1941), requests consideration be given the following matters as submitted in a report dated February, 1942:

- “(a) The water supply in Canada's share of international streams in southern Alberta, the water requirements of the presently constructed projects, and water available for further irrigation development.
- “(b) The most feasible plan to put these waters to beneficial use, including selection of lands to be irrigated, estimates of cost of storage reservoirs and other works required for complete development.
- “(c) Construction programmes with annual estimated expenditure over the period of years required to complete full development.

- "(d) The arrangements necessary with the owners of the present irrigation projects and the owners of the further lands to be irrigated.
- "(e) The benefits which this water development would confer on Canada, The Province of Alberta, and the residents of the Districts affected.
- "(f) The allocation of costs and methods of financing.
- "(g) The administrative control to be exercised over the projects after completion, including maintenance and operation of the works constructed and colonization of the irrigable lands."

THE FINDINGS OF THE FOREGOING COMMITTEE
ARE AS FOLLOWS:

- "1. That the apportionment of the waters of the St. Mary and Milk Rivers is governed by a treaty between Great Britain and the United States, dated January 11, 1909, and is under the direction of the International Joint Commission.
- "2. That a Final Order of the International Joint Commission, dated October 4, 1921, provides definite rules for apportioning the waters, and the application of priorities.
- "3. That for the period 1922 to 1940 (inclusive) the share of the St. Mary and Milk Rivers allocated to Canada under the 1921 Order of the Commission averaged—St. Mary River, 362,000 acre-feet per year; Milk River, 40,000 acre-feet per year.
- "4. That during the period 1922 to 1940 Canada has constructed irrigation works capable of using on the average only 163,000 acre-feet per year of its share of the St. Mary River and not more than 2,000 acre-feet per year of its share of the Milk River.
- "5. That for the same period the share of the St. Mary and Milk Rivers allocated to the United States under the 1921 Order of the International Joint Commission averaged—St. Mary River, 249,000 acre-feet per year; Milk River, 75,000 acre-feet per year.
- "6. That as at the end of 1940 the United States had constructed storage and irrigation works capable, except in periods of unusual precipitation, of regulating and making available for use its entire share of the waters of the St. Mary and Milk Rivers. These works are also capable of storing within the United States that portion of Canada's share of the waters of the Milk River for which regulations and storage works have not yet been made in Canada.
- "7. That Canada should construct at an early date the necessary irrigation works to protect by beneficial use its share of the St. Mary and Milk Rivers.
- "8. That there have been acute shortages in the water supply for existing projects served by the St. Mary River in Canada and that upon completion of the proposed St. Mary Reser-

voir sufficient water would be available to supply these shortages and serve an additional area of 94,000 acres of new land.

- "9. That there is tributary to the St. Mary and Milk Rivers a larger area of good irrigable land than can be irrigated by the total water available from Canada's share of these rivers supplemented by waters of the Belly and Waterton Rivers.
- "10. That upon the completion of the ultimate development a total of 345,000 acres would be available for post-war settlement and for the re-establishment of many farmers at present on submarginal lands.
- "11. That a reservoir on the St. Mary River in Canada is the most important feature in the development and that the site discussed in this report is best for the purpose of storing Canada's share of the St. Mary River and tributaries and waters from the Belly and Waterton Rivers.
- "12. That while irrigation in southern Alberta has encountered many difficulties, owing chiefly to the practice of assessing all costs of construction against the lands irrigated, its value is demonstrated clearly by projects now operating.
- "13. That with irrigation, soil and climatic conditions in southern Alberta are highly favourable for the production of live stock and for growing forage crops, sugar beets, corn, and a wide variety of specialty crops.
- "14. That the stabilized agriculture and increased production resulting from further irrigation development in southern Alberta would provide for permanent home building, for a higher standard of living, and for improved social advantages and educational facilities.
- "15. That the total estimated outlay required to fully and economically utilize Canada's share of the St. Mary and Milk Rivers for the irrigation of 345,000 acres of land on the basis of pre-war prices is estimated at \$15,178,439 or \$43.99 per acre, including construction, operation deficits, land preparation, and colonization costs over a 14-year period of development.
- "16. That the capital cost is reasonable and that the extensive national and provincial benefits to be expected from the undertaking through business development and reduction of relief costs justify governmental financial assistance.
- "17. That while the programme proposed provides for a 14-year period of construction, the development lends itself to great flexibility, both in time and the order in which different parts may be undertaken.
- "18. That benefits to be derived from the proposed development spread widely throughout the country and accrue;
 - (a) To the farmer;
 - (b) To the local urban community centres, the municipalities and the Province; and

(c) To the country at large in increased taxable wealth, increased food supply and business expansion.

"19. That from representations made to the Committee by individual farmers and by various organizations including the South Alberta Water Conservation Council, a representative organization, it is apparent there is a wide demand for the construction of the proposed development.

"20. That the representatives of the Alberta Government, while not committing their Government, expressed a strong desire to see the development proceeded with, provided that satisfactory contractual arrangements may be concluded between the Dominion and Provincial Governments."

THE FOREGOING COMMITTEE'S RECOMMENDATIONS read, in part as follows:

"It has become a generally accepted principle that the total costs of an irrigation project of this magnitude should not be charged to the lands immediately benefitted. To ensure completion and successful operation of the project, there must be governmental assistance. The development of the St. Mary and Milk Rivers Project would not only be of benefit locally and provincially but would, we believe, be to the general advantage of Canada.

"A fair and equitable division of the costs of such a project could be made if it were possible to measure in terms of dollars or as a percentage, the benefits which would accrue to the farmer, the municipality, the Province, the transportation and other commercial interests, and to the Dominion generally. Such a division of ultimate benefits is, we believe, not practicable nor possible, because of the many unknown and unpredictable factors, for example, future crop yields, prices, availability of domestic and foreign markets, and conditions, generally, that will prevail after the war.

"The municipalities and irrigation districts are creatures of the Province, therefore, all agreements dealing with land administration, including capital repayments by farmers and the amounts to be paid by them for water rights, do not involve Dominion jurisdiction except insofar as such agreements result in joint colonization plans between the Province and the Dominion.

"The construction of the main reservoirs and connecting canals would provide the necessary facilities to store in Canada, Canada's share of these international waters and would thereby be an insurance against the loss of a valuable resource. The construction of the main reservoirs and connecting canals is, however, not enough and unless provision is made, by extension of irrigation works to provide for beneficial and productive use, the expenditure incurred by the Dominion would not be justified.

"For this reason the Committee considers that before any construction is undertaken there should be an agreement between the Province and the Dominion that the Province will undertake to construct the remaining irrigation works required to put the water to beneficial use and assume responsibility for maintenance and operation of all works. This agreement, we believe, should be

conclusive and should set out, without any ground for doubt or misinterpretation, a distinct division, as between Provincial and Dominion responsibility. It should be ratified by legislative action."

While it is not the responsibility of the Subcommittee on Agriculture or Reconstruction to enter into details of an appropriate agreement which may be entered into between the Dominion and Provincial Governments, it would submit for careful consideration, and RECOMMENDS that such a contract embody the following principles:

76. That the Dominion Government's financial contribution to the development of water resources be non-recoverable.
77. That the share of the Provincial Government's contribution that is to be non-recoverable be clearly defined.
78. That the bearable cost as between the Provincial Government and the Dominion Government be clearly defined.
79. That all Crown lands be retained by the Province and transferred to the individual or the Irrigation District.
80. That Crown lands be made available to the settler on long term lease, subject to periodical review (the form of lease as described under the section dealing with "Land Policies and Tenure" be given careful consideration.)
81. That the Province assume responsibility for colonization and agricultural services.
82. That a share of the lands made available to settlers be allocated to settlers originating from Provinces other than Alberta.
83. That the Water Resources Branch of the Province establish an irrigation division adequately staffed to administer the development of irrigation and give general supervision to irrigation districts.

Irrigation Research

On the basis of present methods of utilization of water for irrigation, only a small proportion of the land in Western Canada which might be declared irrigable can be supplied with water on the present basis of distribution.

That the present method of irrigation by flooding involves a high degree of waste. Excessive irrigation is destructive to the productivity of the land and in regions having a limited rainfall the efficient supplementing of rainfall with irrigation waters is most difficult.

THE SUBCOMMITTEE THEREFORE RECOMMENDS:

84. That investigations be made into the possibility of more effective application and distribution of irrigation water to land by mechanical methods, to the end that:

- (a) The maximum acreage of land may be irrigated from available water supplies;
- (b) That injuries caused by excessive irrigation of land may be reduced;

- (c) That the timeliness of irrigation be improved and the quantity of water applied be more effectively controlled.

85. That the utilization of water for irrigation be discouraged in the Foothills region of Alberta and in other regions where sufficient rainfall permits the designing of a profitable system of farming, to the end that available supplies of water may be utilized more effectively on arid lands.

Rural Betterment

There is a wide variation of natural soil and climatic conditions under which people in rural Alberta must live. Some concern has been expressed with respect to making farming under these conditions more attractive, where people would be more content and where young people would like to live. There is constant concern over the drift of young people from farms to the cities.

The limitations of nature have to be accepted. However, there are certain elements which lend stability to Agriculture. What are these elements that bring contentment to those who engage in farming?

In addition to the basic elements of life—food, clothing and shelter—modern science and technology have provided greater things for agriculture. The desire for better health through improved and modern health services; the providing of transportation facilities and the means of using the same are essentials in attaining a high standard of living. The need for modern facilities peculiarly adapted to the rural community and comparable with the services being rendered to urban communities is the rightful heritage of the farming community; the assurance of an adequate reward for labour and protection from uncontrollable hazard are fundamental to a sense of security on the part of those engaged in agriculture.

In addition to the foregoing social services, the farmer must have security of tenure of his land. A farmer must have reasonable assurance that he and his family will have a reward for their efforts and enterprise. A comfortable home and adequate farm improvements are the right of every rural family. Modern labour saving devices, home electrification, refrigeration, sanitation and modern water supplies are among the many things that every farm family should possess providing they have a desire and are prepared to make a reasonable and intelligent effort to obtain them.

THE SUBCOMMITTEE RECOMMENDS:

86. That the Government and social agencies, farmers and farm organizations, continue to do everything possible to bring about the aforementioned conditions.

87. That the Provincial Power Commission be urged to extend electric power facilities to rural communities of Alberta at the earliest possible date; that ways and means be devised whereby the most effective use may be made of electricity in the farm home and on the farm, to provide light, refrigeration, water supply, and operate labour saving devices and provide farm power.

88. That all interested agencies support an educational programme in public schools, high schools, through short courses and demonstrations pertaining to the various methods of utilizing electric power, and electrically operated labour saving devices on farms.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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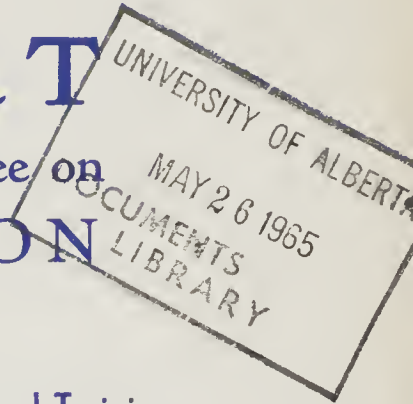
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Alberta Post-War Reconstruction Committee

REPORT of the Subcommittee on EDUCATION



- ◆ Education and Vocational Training
- ◆ Rehabilitation
- ◆ Educational Needs of the Province
- ◆ Proposed Statutory Minimum Salary
Schedule for Alberta Schools
- ◆ Provincial Institutions
- ◆ Financial Requirements
- ◆ Financial Responsibilities

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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
 2. Alberta Post-War Survey.
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INTRODUCTION

The Post-War Reconstruction Committee was established with passage of the Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Mr. A. J. Hooke, M.L.A.

By Order in Council Number 1004/43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943 are detailed in the Interim Report, presented to the Lieutenant Governor-in-Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and uncompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Mr. Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the sub-committee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the sub-committee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a province-wide survey of household, farm, business, industrial and municipal programs for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labor organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. Today the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

Today, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavor, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator. And yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment or an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. And one of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein become the property of those who use them to create and acquire more property. Thus, the fruits of their labor become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it today; a great aggregation of societies, some natural, some “accidental” in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized today, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces: policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple: it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavor to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally as obvious is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this: to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favored freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labor-saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labor, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labor-saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created. And since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfillment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

. CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee of persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have labored at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor-in-Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

December 18, 1944.

Honourable A. J. Hooke,
Chairman, Post-War Reconstruction Committee,
Parliament Building,
EDMONTON, Alberta.

Dear Sir,

I have the honour to present herewith the report of the Subcommittee on Education and Vocational Training.

I should like to acknowledge gratefully the wholehearted co-operation of all members of the Subcommittee in collecting and assessing the materials included in this report, as well as the willing help of many other persons to whom questions of various kinds were directed.

Yours very truly,

ROBERT NEWTON,
Chairman, Subcommittee on Education
and Vocational Training.

EDUCATION

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Issued by The Alberta Post-War Reconstruction Committee
Parliament Buildings, Edmonton, Alberta.

Report of the Subcommittee On Education

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EDUCATION AND VOCATIONAL TRAINING

December 18, 1944

Terms of Reference

The Subcommittee on Education and Vocational training was assigned the general duty of enquiring into the functions, organization, and machinery of education and vocational training in this Province, and of recommending such measures as seem to be required to adapt, improve, or expand the system in whole or in part, to meet the expected needs of the post-war period.

Without limiting the generality of the foregoing duty, the Subcommittee was specifically charged to inquire into the following matters:

1. Rehabilitation of ex-service men and women, or men and women discharged from war industries, with special reference to Dominion Government provisions for this purpose and their integration with Provincial Government plans, including:

- (a) Provision for completion of interrupted education;
- (b) Retraining persons unfitted by the war for their previous vocations, or whose vocations have disappeared;
- (c) Vocational training of persons not previously trained for occupations available in the post-war period, or who require refresher courses.

2. Educational needs of the Province as shown by a survey of:

(a) The selection and training of teachers, the salaries paid them, and other factors affecting the attractiveness, efficiency, and stability of the teaching profession;

(b) The need for scholarships to insure in general the education of all youth in accordance with aptitudes, and in particular the training of promising teacher material;

(c) School buildings and equipment in the light of modern knowledge and social as well as purely educational uses;

(d) Problems in the transportation and housing of pupils arising from consolidation of schools into larger, more efficient units;

(e) The need for, and functions of, special schools, such as community schools and technical or vocational schools (including agriculture);

(f) Home and School Associations, or other methods of securing the interest of the adult population in their local schools and insuring co-operation between parents and teachers;

(g) Adult education in general, as an integral part of the educational system and an instrument of progressive citizenship.

3. The organization and functions of Provincial institutions, existent or projected, in the educational system, including:

- (a) The University of Alberta and the Normal Schools;
- (b) The Institute of Technology and Art;
- (c) Libraries;
- (d) Provincial archives and museum.

4. The financial outlay required to carry out any measures recommended by the Subcommittee.

5. The division of financial and other responsibility between the Dominion, the Province and the Districts.

1. REHABILITATION

The Dominion Post-Discharge Re-Establishment Order (P.C. 5210) provides men and women discharged from the armed forces with a basic gratuity of \$7.50 for each month of service in Canada and \$15 for each month of service overseas. Discharged personnel also receive rehabilitation benefits while they are being trained or retrained for useful places in the industrial life of the country. The basic rates are \$60.00 per month for single persons and \$80.00 for married persons, with additional benefits for each dependent child. These rates may be supplemented by disability pensions, or by private earnings, within certain total ceiling incomes. The same benefits are available to students resuming interrupted education, for a period equal to the period of active service (contingent upon their making satisfactory academic progress), and this period may be extended to graduation at the discretion of the Minister of Veterans Affairs. The Order also authorizes the Minister to pay the students' tuition and other fees.

The foregoing Order compares favourably, in its generosity to discharged persons, with similar provisions in other parts of the British Commonwealth and the United States. On the other hand, the Order makes no provision for assisting the Province with the costs of university education or training for these persons, beyond the part of the cost covered by the usual fees. Since University students' fees cover only part of the cost of their education, the Provincial Government must be prepared to absorb the balance by increased grants to the University on behalf of these extra students.

Supplementing the foregoing provisions for the education or training of demobilized persons, we have the Vocational Training Co-ordination Act, 1942. This provides a way of retraining young persons discharged from war industries, or otherwise thrown out of employment by the cessation of war-time activities. Essentially it continues the Youth Training scheme, by which the Do-

minion and the Province, during the later years of the great depression, shared equally the costs of providing vocational training for unemployed young people.

It devolves upon the Province, under both these schemes, to provide the necessary instructional facilities. Thousands of young Canadians in the armed forces are today taking matriculation correspondence courses designed especially for them, to be ready for education they could not otherwise have aspired to. Other thousands will require to complete after discharge their interrupted education at the prematriculation level, in preparation for professional training either in universities, or by apprenticeship. The Dominion Department of Labour is providing prematriculation classes through the Alberta Department of Education. The University of Alberta, in common with other Canadian universities, is planning a special schedule of courses for the immediate post-war years, with three admission dates each year, and a full summer term, to accommodate students who desire to overtake part of the "lost years" by accelerating their graduation. Furthermore, the University hopes to relieve the overcrowding occasioned by the numbers of returning students added to the regular crop of new matriculants, by starting a junior college in Calgary.

To accommodate the still greater numbers who will require vocational training at the secondary level, both of demobilized persons and young people prematurely drafted into war industries with incomplete training, the Province must count upon using the centres at Edmonton, Calgary, Medicine Hat and Lethbridge, formerly in use for the War Emergency Training Programme, as well as various service training establishments when these are released by the military authorities. In regard to agricultural training, it is proposed that young men entering this field without previous farming experience should be placed for a year with selected farmers, both to give them experience and to judge of their adaptation to this calling, before proceeding with the technical part of their training.

One other matter concerning benefits to returned soldiers has been brought to the Subcommittee's attention, in the form of a strong recommendation from the Alberta Command of the Canadian Legion for the resumption by the Province of the provisions of the Education of Soldiers' Children Act. For several years after the last war the Province had set aside \$10,000 a year for educational grants to soldiers' children. The purpose was good, but the Act proved very difficult to administer. The Subcommittee believes the time has come to provide for the education not only of soldiers' children but of all children in accordance with their abilities and aptitudes. This will be discussed further under the heading of scholarships.

The Subcommittee recommends: (1) That the Province mobilize all available educational facilities to deal as effectively as possible, in co-operation with the Dominion and with local school authorities and community organizations, with the problem of fitting men and women discharged from the armed forces

and from war industries, and who may require further education, training or retraining, for useful and satisfactory places in the life of the community.

2. EDUCATIONAL NEEDS OF THE PROVINCE

Selection and Training of Teachers

The McNair Report on Recruitment and Training of Teachers (Great Britain, 1944) warns that, "We have not yet emancipated ourselves from the tradition of educating our children on the cheap." Press reports during Education Week, November 5 to 11, 1944, revealed that in every province of Canada there are hundreds of "teachers" employed who have had little or no professional training—perhaps a summer course, or a three-month short course, or no course at all. A special committee under the chairmanship of Dr. K. F. Argue, prepared for the Subcommittee on Education last year (1943) a comprehensive report (112 pages) on the situation in Alberta. The following statement is based mainly on this report.

Selection: Though the interests of education would be well served by a considerable increase in the number of men entering and remaining in the teaching profession, the number is gradually declining. Only about a quarter of the students now enrolling in the normal schools of Alberta are males. The percentage of students of Anglo-Saxon descent in the Edmonton Normal School declined from 70 in 1930-31 to 35 in 1943-44. In a recent analysis of 106 "mill-run" candidates for teacher training in Edmonton and Calgary, 53 were of non-English foreign-born parents. The proportion of Edmonton Normal School students from farm homes has increased from 50% in 1932-33 to 80% in 1943-44, notwithstanding the large growth of urban population in that period. Only 1% of the children of professional men in Calgary and 5% in Edmonton, completing Grade XII, chose teaching as a profession in 1942. Since then the situation has grown much worse. Achievement and intelligence tests applied to teachers-in-training on a continent-wide basis showed Edmonton Normal School students dropping from 13th place out of 304 colleges reporting in 1936, to 111th place out of 253 colleges reporting in 1942. In a recent test one-third of the group of 163 students rated with the least capable fifth of American high school graduates.

Not the desired standard of selection and training can be maintained, but only that which allows us to secure enough teachers at current salaries to man the schools. Further relaxation of standards has been forced on us by war conditions. Only in great depressions have current teachers' salaries been able to compete with those of other callings. At other times education takes what it can get, not what its social importance demands.

Half the male graduates of normal schools leave the teaching profession after only one to six years' service. The most able and enterprising are the first to be drawn into more remunerative occupations, thus depreciating further the quality of the group.

The return of large numbers of teachers from war service

should be made the occasion for raising selection standards drastically. If this is not done, the temporary surplus will drive salaries still lower, with further detriment to the quality of teaching in the Province. All wartime letters of authority should be cancelled promptly, and such holders as show promise and desire to continue teaching should be encouraged to complete full academic and professional training. Refresher courses should be provided for teachers returning from the armed services, and these should take advantage of Federal rehabilitation grants to advance their professional qualifications.

Major improvements in salaries, training, tenure contracts, pension provisions, and living conditions are required to attract and hold the kind of teachers we need. Academic achievement, special test results, physical vigour, attested character, high school principal's report, and personal interviews, should all play a part in selecting high quality personnel.

Training: The Subcommittee on Education is of the opinion that the conditions affecting the supply of teachers are so bad as to require drastic action. Happily some progress has been made on the basis of its Interim Report filed a year ago. This progress is detailed in a later section of the present report where teacher training is dealt with as a part of the discussion of the University of Alberta. There a plan is outlined for amalgamating the Normal Schools and the University Faculty of Education, and making all teacher training a responsibility of the University, thus formally recognizing school teaching as a learned profession, entitled to the highest type of training and to a salary scale appropriate to such a profession.

Stability: Reference has already been made to the brief professional life of male teachers. The average is 7.5 years. Female teachers, owing to the common practice of withdrawal upon marriage, average only 5.9 years. As a result, the Province must train about 16 teachers a year for every 100 teaching positions. Compared with any other profession, this reflects serious instability and unduly high replacement costs.

Aggravating this situation is the fact that about half the teachers change their positions every year. This is wasteful, both economically and professionally. The Teaching Profession Act of 1935 gives the teacher satisfactory professional status, and the School Act of 1931 governing contracts seems reasonably adequate. But not all the legal provisions governing teachers are uniformly observed.

Special objection is made to the common requirement of urban boards that women teachers shall resign when they marry, although absolute equality of men and women is specified in the School Act. Occasionally such women have been reappointed immediately to the same positions they have vacated, but as substitute teachers at greatly reduced salaries. The National Education Association (U.S.) Bulletin of May, 1942, reports that 838 cities of the United States employ married women teachers, and 82% of those having a population over 100,000 regularly give maternity leave.

Probably the best way to remove abuses of the existing law is not by insertions in the statute but by judicial decisions such as will make the intent of the law prevail. The provision for a Board of Reference to arbitrate differences of opinion or interpretation in difficult cases is especially commended.

The Teachers' Retirement Fund Act of 1939 is inadequate, providing for those retired during the first five years of its operation only \$25 a month, and for those retired after January 1, 1944, only \$30 a month. With teachers' salaries at present levels, or even substantially above, there is no hope that the present scale of contributions to the Retirement Fund, namely, 3% from teachers and $\frac{1}{2}\%$ from city and town Boards, can provide adequate pensions. It is recommended that teachers should contribute 4% of their salaries to finance the purchase of annuities of not less than \$30 a month, that provision should be made for additional service pensions of \$2 a month for male teachers for each year of service (with 20 years the minimum to qualify and 40 the maximum to count) and the actuarial equivalent for female teachers, and that the Government should bear the cost of administering the scheme. The maximum total pensions attainable under such a scheme by a rural teacher under one of the better divisional schedules now in operation—\$900 to \$1,300 by \$50 annual increments—after 40 years' service would be about \$111 per month for men and \$99 for women.

Unsatisfactory living conditions are another deterrent to young people, especially women, considering entry into the teaching profession, most of whom must begin in rural schools. Of a representative group of 40 rural teachers surveyed in 1941-42, 15 lived in teacherages, mostly of one or two rooms. They varied from poor to good in construction and furnishings, but only one was described as superior (plastered walls, attractive woodwork, linoleum on floors, good cellar, storm windows, good kitchen range and heater). Most of them had no cellar, no insulation, and only bare essentials in furnishings. Rents varied from \$2.50 to \$7.00 a month. The heating problem was the most serious one, especially as most teachers (10 of the 15 were women) had to chop or split their own wood. Water was another problem. One teacher used melted snow in winter and melted ice (from an ice-house) in summer. Three carried water a half mile, others from nearer neighbors. Supplies were often hard to come by. One teacher walked six miles to town every Saturday, taking a chance on catching a ride back with her week's supplies. One depended on her pupils' parents to bring things from the town 15 miles distant. One man teacher hitchhiked 17 miles each way with his weekly quota. It is a commentary on their other difficulties that none of these 15 teachers considered the matter of supplies a serious problem. Fourteen of them lived alone, at distances varying from a few yards to three-quarters of a mile from the nearest neighbour.

Notwithstanding the primitive conditions endured by most of these 15 teachers, 12 stated that they preferred that mode of life to boarding with someone in the community. They regarded it in any case as only a very temporary phase of their lives.

The other 25 (3 men and 22 women) in the group of 40 teachers boarded at rates from \$16 to \$28 a month. Only five of the houses had furnaces, consequently their rooms were too cold in winter to sit in, and they did their work mostly in the kitchens with the rest of the family, often to the accompaniment of radios or noisy children. Three of the homes had running water and indoor toilets, and three had electric light. Only five teachers were dissatisfied with the food served. There was no complaint of the distance to school, though three were more than two miles away. As might be expected, some found their hosts uncongenial, while others spoke highly of theirs, and enjoyed all the privileges of home. Many felt handicapped in making visits within the community because of the problem of transportation; they had the choice of walking or staying at home.

The same improvements with respect to salaries, legal status, pension provisions, and living conditions, recommended to give us better selected personnel, must be depended upon to bring about a satisfactory degree of stability.

Salaries: The median Alberta teacher in 1942 was 26 years of age, a high school graduate with something more than one year of professional training, followed by six years and nine months of teaching, of which the last year and five months had been in the same place, and earned a salary of \$935.

The foregoing median figures for all teachers include sub-groups which, in respect to salaries, range from a median of \$848 for female teachers in one-room rural schools, to \$2,275 for male teachers in city schools. For the most part these are paid over an annual period of 40 weeks, but the teachers must support themselves for 52 weeks, and are expected to meet the expense of attending summer schools essential to their professional advancement.

Comparing five provinces listed in ascending order of median teachers' salaries for the same year (1942) we find Alberta in the middle, viz: Saskatchewan, Manitoba, Alberta, Ontario, British Columbia.

Other comparisons, based on "normal" pre-war figures (1939), show Alberta teachers' salaries to be substantially lower than salaries paid in manufacturing industries in Alberta and, for men at least, corresponding rather to the average annual wage earnings in these industries. Rural teachers suffer in salary by comparison with Provincial civil servants, and all teachers on an average compared with Dominion civil servants employed in Alberta.

Unattractive salaries are probably the dominant factor accounting for the progressive deterioration of personnel entering our normal schools, referred to above under the heading of "Selection". Elementary and secondary education is conducted mainly by single persons, as married persons cannot afford to remain in this field. Training beyond the compulsory one-year normal course is economically a poor investment of time and money for these teachers. The Faculty of Education of the University has never had more than half enough students to supply fully trained personnel to the high schools of the Province.

Rural schools present a special problem. The children they serve are entitled to as mature, well trained, and experienced teachers as city children. But living conditions described above, and the lower salaries paid in country schools, work entirely against the realization of this right. Lower cost of living in rural districts has proved wholly insufficient to offset these disabilities.

We need a salary schedule which will make teaching attractive as a lifetime profession, especially for men, not merely a stepping-stone touched briefly on the way to more lucrative occupations. The accompanying table shows a proposed minimum schedule based on \$1,200 for the first year after certification. This schedule recognizes the cost and professional value of successive years of training beyond Grade XII, by increasing the basic minimum \$100 for each additional year of training. It also recognizes the value of increasing experience, up to ten years, by adding 6% to the basic rate for each year's experience. In the foot-notes to the table provision is made for additions to the minimum for teachers at intermediate and high school levels, and for principals and vice-principals according to the degree of responsibility carried. The promulgation of such a schedule would at once attract a superior quality of teaching personnel, probably in numbers adequate to provide satisfactory teaching for all the children of the Province. Obviously, school boards in poorer districts could not pay such salaries without equalization grants from the public treasury. Such grants would be fully justified by the undeniable right of children in these districts to proper schooling, and the loss to the whole country resulting from their lack of it. Boards in charge of better schools with greater resources would be expected to compete for teachers with superior qualifications by offering salary schedules well above the minimum level.

PROPOSED STATUTORY MINIMUM SALARY SCHEDULE FOR ALBERTA SCHOOLS

Years of Professional and Academic Training above Grade XII						
				(Bachelor's Degree)	(Master's Degree)	
Increments	1 year	2 years	3 years	4 years	5 years	6 years
	1200	1300	1400	1500	1600	1700
1	1272	1378	1484	1590	1696	1802
2	1344	1456	1568	1680	1792	1904
3	1416	1534	1652	1770	1888	2006
4	1488	1612	1736	1860	1984	2108
5	1560	1690	1820	1950	2080	2210
6	1632	1768	1904	2040	2176	2312
7	1704	1846	1988	2130	2272	2414
8	1776	1924	2072	2220	2368	2516
9	1848	2002	2156	2310	2464	2618
10	1920	2080	2240	2400	2560	2720

Additional Provisions:

1. Elementary Teachers—Basic Schedule as above.
2. Intermediate Teachers—additional \$100.
3. High School Teachers—additional \$200.
4. Principals—\$50 per room.
5. Vice-Principals—\$25 per room.

The Subcommittee recommends: (2) That in the interests of education the public should be enlightened with respect to the highly unsatisfactory conditions surrounding the teaching profession.

(3) That the Province should expand its programme of educational reform, in order to promote improvements in teachers' salaries, training, legal status, pension provisions, and rural living conditions, in order that the profession may attract and hold the high calibre of personnel which its vital importance warrants.

(4) That a minimum salary schedule be established, based on \$1200 for the first year after certification, and recognizing the cost and professional value of successive years of training, also the value of increasing experience and the assumption of successive degrees of responsibility.

(5) That the possibility of recruiting teacher material from returned men and women be explored.

Scholarships

The justification for emphasizing teacher-material, in the term of reference to scholarships, is the lack described above of sufficient high-class candidates for this most vital of all professions. Selection should begin in Grade X rather than at the entrance to the teacher-training institution. Annual scholarships for Grades X, XI, and XII, granted on the recommendation of the high school principal to able students, especially those gifted in music, art, commerce, agriculture, household economics, or other significant subject in an enriched social curriculum, should be continued if necessary to the end of the training period.

The Faculty of Education is now offering four-year programmes leading to the B. Ed. in Agriculture and the B. Ed. in Household Economics. These courses, if followed by our future rural high school teachers, should remake rural secondary schools. But rural salaries will scarcely induce many teachers to devote to this special training the extra year's time required, unless scholarships are available for the fourth year.

Taking the broader view that we should educate fully all the children of our Province, the Subcommittee on Education endorses the following statement in the Report of the Post-War Rehabilitation Council of British Columbia:

"Education up to and including Senior Matriculation classes should be free to all citizens. If it is necessary for pupils to leave their places of residence in order to attend high schools or technical schools, they will have to be provided with boarding allow-

ances. If pupils' parents are not in a position to maintain them or to provide an adequate minimum of food, clothing, and shelter during the educational period, the State must maintain the child either through a system of family allowances or by a direct allowance for education purposes. Similarly, it must be made possible for every boy or girl, who shows aptitude for Junior College or University work, to obtain such advanced training, by a State Bursary system which would exclude no one who possessed the necessary ability. The amount of the Bursaries should not be based merely on fees and other educational expenses, but on adequate maintenance."

The B.C. report just cited, the report of the Survey Committee of the Canada and Newfoundland Education Association, and the British White Paper on Educational Reconstruction, published respectively in January, March and July, 1943, all recommend 16 as the school-leaving age, with compulsory part-time schooling continued to age 18, and scholarships for gifted children who could not otherwise continue their course.

A joint memorandum from the Alberta Association of Municipal Districts, the Union of Alberta Municipalities, and the Alberta School Trustees Association, went on record that: "financial embarrassment should not be permitted to prevent anyone with ability from attending (the country's highest educational) institutions. To make this opportunity possible, no fees should be charged by any public institution and, if necessary, books, equipment, and an adequate living allowance should be provided for any person wishing to pursue his or her studies to such an extent."

Agreement with the foregoing will depend in part on how broadly may be interpreted the phrase "anyone with ability". Doubtless there will be considerable support for the recommendation of a high official of the Department of Education, that "all education for citizens up to the age of 20 years should be free, whether in High Schools, Agricultural or Technical Institutes, Junior Colleges or the University; and that the only difference between citizens under this recommendation be in the type or kind of education to be made freely available; not in the maintenance to be provided; it being assumed that in all cases the maintenance would fully meet the requirement."

In any event, there will be little dissent from the following statement in the British White Paper: "High ability should not be handicapped by accidents of place of residence or lack of means in securing a university education."

Elementary schooling is commonly completed in the locality where the children live, and so long as there are no fees, and books are provided for the most part through school libraries, the question of scholarships scarcely arises. There is, however, definite need for scholarships at secondary and higher levels. The joint memorandum of the A.A.M.D., U.A.M., and A.S.T.A. recommends that "scholarships should be based solely on the ability of students, irrespective of means." This is difficult to reconcile with their other recommendation that "if necessary

books, equipment, and an adequate living allowance should be provided." If our purpose is equalization of educational opportunity, it is hard to see how we can avoid taking into account the need of some students for more financial aid than others.

The Province of Ontario provided this year (1943-44) 333 scholarships, valued at \$60,000, for pupils enrolled in collegiate institutes, high, vocational, and continuation schools. The scholarships are for pupils of good health and character, who have attained high standing in school and would find it impossible to continue their formal education without assistance. Of these scholarships, 100 are for university, 83 for normal school, and 150 for Grade XIII. They are distributed throughout the Province by counties and districts on the basis of population and enrollment. For non-residents, a university scholarship has a value of \$400, a normal school scholarship, \$200; for residents, \$200 and \$125 respectively. The value of a Grade XIII scholarship is \$100. The student makes application setting forth the financial position of the home, the principal reports on mental competency, character and health of applicant, and a committee named by the Minister of Education makes the awards.

At Harvard University it is estimated that a family with a total income of \$2,000 and with three or four dependents can hardly be expected to contribute more than one or two hundred dollars a year towards the college education of a promising son. The rest of the amount required (\$1,000 at Harvard) must be provided by a scholarship.

In Britain the awarding of scholarships (for fees or fees and maintenance) on the basis of family income is an established practice in many training schools. In that country, over 40% of all students attending universities receive financial aid through scholarships.

The modern trend is to award scholarships in the first instance solely on the basis of merit, including general promise as shown by the student's entire record and by personal interview, and to give all successful candidates an initial prize (of perhaps \$50 or \$100 in the case of university scholarships), supplemented if necessary by additional amounts awarded on the basis of need, with an amount sufficient to cover tuition, board and room, as the maximum in any case.

Where a large investment is made in the education of promising individuals, there may be justification for requiring an undertaking that some minimum period of professional service shall later be rendered to the state. In Vermont, for example, the holders of state medical scholarships must agree to practise in that state one year for each year the scholarship is held, or refund the money received. On the other hand, it may be argued that reciprocal advantages to different states from free movement of well educated people are sufficient compensation and justify a broadly generous policy.

We have recently had considerable experience in awarding scholarships on a sliding scale, based on need, under the Dominion-Provincial Youth Training Scheme. From this it appears that

the scale of payments adopted this year in Ontario is adequate. A hundred scholarships awarded annually would cost about \$30,000 for the first year, and perhaps as much as \$75,000 annually when the scheme is in full operation. They should be awarded by a central committee, on which the University, Normal Schools, and secondary schools should be represented, treating the Province as a unit (rather than by districts, as in Ontario). This committee would consider the relative needs of different professions within the Province for personnel at any given time. The scholarships would be distributed to best advantage, having regard to the student's record, character, and vocational plan, provided his scholastic standing did not fall below some basic minimum. Under the Dominion-Provincial scheme this has been a high school average of 65%, with no subject below 60, and some specified ones not below 70. Selection might be aided by requiring candidates to write papers specially set to test their general preparation and aptitude for the course they desire to pursue; e.g., university candidates on the science side might write a general paper in mathematics and science, and those on the arts side a general knowledge paper of the essay type. For certain scholarships, e.g. to the Institute of Technology and Art, tests of manual skills may be more important than tests of scholastic ability. Candidates who are judged by their high school principal to have outstanding qualities of leadership should get special preference.

As indicated earlier in this Report, the Subcommittee on Education heartily favours educational opportunities for soldiers' children, but in view of the difficulties and dissatisfaction which attended the policy of treating them as a separate group after the last war, greatly prefers that soldiers' children should be included in provision broad and generous enough to take care of the legitimate needs of all children in the Province.

The Subcommittee recommends: (6) That generous provision be made for provincial scholarships, including scholarships for soldiers' children, as part of the post-war plan for education.

(7) That fees for higher education be scaled down, if possible, and that tests of aptitude and ability, rather than financial means, be made the screen for deciding who shall enter and continue in the University.

(8) That the school leaving age be raised to 16 years, with provision for part-time education to age 18 years.

School Buildings and Equipment

The introduction of the progressive method of education into Alberta some years ago created a need for more and better accommodation and equipment in the schools. The increasing emphasis on adult education has in turn given rise to a demand that school buildings should become community centres, equipped and available for use at all times outside the 9 a.m. to 4 p.m. 5-day week schedule of ordinary teaching.

A recent survey of rural schools showed that well over half the pupils are being taught in overcrowded classrooms. The

modern school should have, in addition to classrooms, other rooms for group work, library work, private conferences, science rooms for senior pupils, and, where the number of pupils warrants, gymnasium and auditorium facilities. Most graded schools now have a small science room, though often inadequate, but seldom any other auxiliary rooms. A great many have no cloak rooms, the children's clothes hanging on the walls of the classroom taking up space much needed for blackboard and display purposes. Of 96 teachers replying to the question: "Have you sufficient accommodation to carry out the present Alberta curriculum?" 80 replied in the negative.

Since the formation of the school divisions more suitable buildings have been erected. Centralization of schools is proceeding steadily, partly because of a definite policy adopted by the boards and partly in order to alleviate the teacher shortage. But there are still a great many old and unsatisfactory buildings, and the rate of their replacement is too slow for a modern educational programme. A circular inquiry of divisional superintendents produced estimates of building needs ranging from \$27,000 to \$800,000, reflecting a provincial total for rural school divisions of about \$7,000,000. In spite of its size, this estimate is based on the assumption that one-room schools must continue to serve in many places. It included a few teacherages, but by no means enough to solve the problem of living conditions referred to earlier. It is the opinion of the Chief Inspector of Schools that an adequate rural building programme would run far beyond \$7,000,000.

The city school boards furnished the following estimates:

Calgary	Estimated Cost	
	Building	Equipment
1. Construction of a Junior High School in the northern area of the city	\$325,000	\$ 23,800
2. Addition to the Crescent Heights High School to accommodate technical shops, home economics, commercial, etc.	250,000	
Gymnasium and Cafeteria	100,000	91,785
3. Additional public school accom- modation in West Calgary	75,000	4,335
4. Auditorium building, Haultain School ...	35,000	2,990
5. Auditorium building, Alexandra School	25,000	3,245
6. Construction of a Stores and Workshop building for the Calgary school system ...	75,000	—
	<hr/> \$885,000	<hr/> \$ 126,335
Total		<hr/> \$1,011,335

	Approx. Cost
Calgary Separate Schools	
1. Composite building to be located in vicinity of the St. Mary's High School, 19th Avenue and 2nd Street West, Calgary, to contain four ordinary classrooms, physics and chemistry laboratories, household economics classrooms, basement playrooms, etc.	\$ 75,075
2. Auditorium to be located in same vicinity as No. 1, to seat 700, with stage facilities, dressing rooms, etc., fully fireproof and detached from other buildings	43,000
3. Four-room school in north-hill section of city with basement playrooms, toilets, etc.	37,125
4. Four-room school in east central section of city, similar to No. 3 above	37,125
5. Eight-room school with small auditorium, fireproof, to be located in vicinity of 14th Avenue and 14th Street West, to replace present Sacred Heart school building	78,650
6. One-story building with basement, toilets, etc., in location to be determined, completely detached, to house General Shop classes	8,500
Total estimated cost of proposed buildings	\$ 279,475
Estimated cost of furnishings and equipment	39,200
Total	\$ 318,675

Edmonton

1. Building:	
Composite High School at Victoria High School grounds	\$1,000,000
University High School	350,000
2. Addition to:	
North Edmonton Elementary	40,000
Rutherford Elementary	40,000
Jasper Place Elementary	75,000
3. New Elementary School at:	
Forest Heights	35,000
Sherbrooke	35,000
4. Improvements to the schools that have been postponed owing to war conditions; for example, plumbing, roofing, decorating, lighting, installing new floors	150,000
5. Equipment:	
Changing fixed desks to movable equipment	50,000
6. Warehouse, office building, and workshop	200,000
7. In addition to the above which are needed at present, it will be necessary very shortly after the war ends to build a high school in the east end of the city at a cost of about	450,000
Total	\$2,425,000

	Approx. Cost
Edmonton Separate Schools	
1. Completion of St. Joseph's High School	\$ 200,000
2. Auditoriums and gymnasiums at 6 schools	75,000
3. General shop and home economics centres at 3 schools	50,000
4. Equipment of foregoing 3 items	25,000
Total	\$ 350,000
Drumheller	
1. Intermediate school	\$ 65,000
2. Parkdale elementary school	10,000
3. Site, fencing, improvements to grounds	10,000
4. Scientific apparatus, equipment, books, etc.	5,000
Total	\$ 90,000
Lethbridge	
1. Technical shops on collegiate grounds	\$ 100,000
2. Extensions to public schools	125,000
3. Junior high school possible alternative to item 2 ..	.....
Total	\$ 225,000
Medicine Hat	
1. Buildings and equipment for shop courses and household economics	\$ 150,000
Red Deer	
1. Facilities for vocational training .....	.....
2. Enlarged facilities in North Red Deer .....	.....
3. Elementary school in new subdivision south of city Figures not given, but on basis of population, say	\$ 75,000
Wetaskiwin	
1. Composite high school	\$ 75,000
Grand total estimate for seven cities	\$4,720,010

In view of the magnitude of the foregoing building programme, and the long time which must inevitably elapse before it can be fully carried out, full use should be made of the many temporary buildings which are becoming surplus to R.C.A.F. and other Service requirements in Alberta. Already some school boards are arranging to secure and move to their school sites buildings which are quite suitable to accommodate general shop and other activities of a composite school. Such action should be encouraged and facilitated.

The Subcommittee recommends: (9) That the Province should expand its programme for assisting school building projects.

(10) That the Province should explore with the Dominion some method for helping the municipalities and districts with the financing of an adequate school building programme, through long-term loans at low interest rates. The Municipal Improvements Assistance Act, 1938, might be revived.

(11) That the Provincial Department of Education should arrange to have prepared standard plans of modern schools of various types and sizes and a statement of building principles to which all school must conform; that only schools which conform to the plans and principles required by educational needs should be eligible for assistance; and that the Department expand its architectural advisory service.

(12) That every effort be made to secure buildings and equipment of Service training establishments in Alberta for temporary use for educational and vocational training purposes.

Transportation

Rural schools should be consolidated to overcome the educational disadvantages of children in these areas. But greatly improved road conditions are required to make regular attendance at centralized schools possible. The Camrose superintendent reports that the one van operated in that district missed only one day last year and was late only once. Given good gravelled roads, he is of the opinion that children are better assured of regular attendance at a central school than through walking to district schools.

Based on estimates of two superintendents who went into the matter carefully, it would appear that an expenditure of the order of \$25,000,000 on roads is required to make complete centralization of Alberta rural schools possible. Doubtless much centralization could be accomplished with much smaller sums.

The Subcommittee recommends: (13) That complete replacement of one-roomed schools by graded rural schools be taken as an objective, and that suitable roads be provided as fast as may be practicable.

(14) That dormitory accommodation be provided for pupils in attendance at rural high schools, who live off the school bus routes or too far away to live at home.

Community Schools and Vocational Institutes

Modern secondary schools are variously known as community schools, consolidated high schools, or composite high schools. By whatever name called, they are all expected to include complete facilities for academic, technical, agricultural, commercial and cultural courses.

Community schools go farther than the others in carrying the enterprise method, characteristic of progressive education, to its logical conclusion. By gearing their enterprises to neighbourhood economy and interests, they lend reality to student experience and generally bring the parents and community leaders actively into the picture. The entire resources of the school—books, laboratories, and teachers—are pressed into service for

the welfare of all. Thus these community schools become community centres, with special possibilities for social reconstruction.

Though certain rural schools in Alberta have undertaken important community enterprises—students at Willingdon organized a consumers' co-operative, and those at Smoky Lake built and equipped a community library—the community school as such can scarcely be said to exist here yet. The main deterrent is the cost. Buildings and equipment for one unit have been estimated to cost \$65,000 to \$80,000. Then more teachers would be required and they must have special qualifications.

Though composite high schools may largely supplant technical schools as commonly operated in the past, there will always be need for certain vocational institutes, such as the Institute of Technology and Art, where students may pursue on a level above that of secondary schools more intensive specialized training in the skills pertaining to special trades.

The Lethbridge Rehabilitation Council submitted a recommendation for the establishment in that city of an Industrial College with courses in agriculture, mining, engineering, irrigation, technology, and trades training. It is to be a self-contained unit, with its own standards of entrance and graduation, and with half-a-dozen branches at strategic points throughout southern Alberta, to give preparatory training and to act as feeders. Day and evening classes are to be offered, ex-service men will have special attention, and close contact will be maintained with local industries.

Agricultural schools are a particular form of vocational institutes. The first three schools in Alberta were established at Olds, Claresholm and Vermilion in 1913, under the Agricultural Schools Act of that year. The Act provided that they should be administered by a board representing the Department of Agriculture, the University of Alberta, and the farming community.

In 1918 three more schools were established at Gleichen, Raymond, and Youngstown. Dormitories were built at Olds and Vermilion in 1927 and 1928 respectively.

The schools at Gleichen and Youngstown operated only two years. Claresholm and Raymond carried on till 1931. Vermilion, after a checkered career, closed for the third time in 1941, thus leaving only Olds in operation.

What were the causes of this unsatisfactory history?

1. The locations were not uniformly good. Olds served a constituency of about 350,000; Claresholm about 100,000; Raymond only 34,000. Since the schools were not operated as a unit, but on a competitive basis, the smaller constituencies were bound to suffer. Since public support varied with economic conditions, the weaker schools could not be maintained through bad times.

2. The operation of the schools was not made a major branch of the Department's activities, but remained an incidental interest of the Deputy Minister.

3. The staffs had not full scope in carrying on the work of the schools, but were assigned to unrelated work, such as weed inspecting, during the summers. This gave rise to instability. If community club work had been tied to the schools, rather than to the Edmonton office, it would have provided the necessary contacts with farmers of the district.

4. The schools with dormitories made the best record. Dormitories should be available at all schools of this nature.

The unique function of these agricultural schools has been to serve older boys and girls (since they taught household economics equally with agriculture) without regard to preparation. Though educational standards have risen steadily, nearly a third of the students this year (1943-44) have only Grade IX standing. Some come in after a lapse of several years, even 10 years, and these older ones benefit most. The average age in the pre-war period was 19 to 20. Students of 16 are accepted reluctantly, as the principal finds real vocational interest does not develop till about age 18. Among some 200 students at Olds this year, there are 15 nationalities represented, making the school an important agency in assimilation.

Department of Agriculture officials who gave evidence before the Subcommittee are of the opinion that there is room for three well placed agricultural institutes, say at High River, Olds, and Vegreville, with perhaps later a fourth at Grande Prairie or Beaverlodge.

The foregoing discussion suggests that the difference between community schools and vocational institutes is not great, and that the need for the latter may decline with the growth in number of the former.

The Subcommittee recommends: (15) That a programme for the establishment of community schools should be prepared by the Department of Education and begin with six schools well distributed over the Province, the whole programme to be carried out in practicable stages in the post-war years.

(16) That facilities of existing high schools be enlarged from time to time, with the objective of converting as many as possible into composite high schools and ultimately into community schools.

(17) That caution be used in adding to the number of vocational institutes (technical or agricultural), until it is seen how much of their purpose may be served by community schools in conjunction with an apprenticeship system.

(18) That the administrative board provided by the Agricultural Schools Act, 1913, be enlarged to include a representative of the Department of Education, and that these agricultural institutes be co-ordinated with the regular educational system of the Province.

Home and School Associations

Though Home and School Associations have made a creditable showing considering their short history in Alberta, it is desirable that their work and influence be expanded. Ample scope for this is provided in their Constitution.

An effort should be made to secure the interest and attendance of more men, including not only parents of pupils, but leaders in the community, such as agriculturists, doctors, clergymen, business and professional men. This should be possible if a convenient time is set for meeting, and projects of local interest and significance are featured in the programme.

Besides serving to promote understanding and co-operation between parents and teachers in dealing with immediate school problems, the Association should be a focus of community interest and enterprise. Home beautification, dramatics, arts and crafts or other interesting and useful hobbies, social and civic study projects, should all be fostered. Music teachers, photographers, district nurses, outstanding mothers, local politicians, and other persons with special knowledge or experience should all be brought into the picture. Such a programme is akin to that centering in a community school, and might well be the initial step in developing such a school.

To make a school not only a place for the instruction of children from 9 o'clock to 4 o'clock, Monday to Friday, but also a centre of adult education and community life during the rest of the time, obviously predicates a different type of building and equipment from that traditionally provided. Crowding adults into school desks designed for juveniles does not promote the desired informal round-table atmosphere. Possibly the Associations could help themselves by taking a more active interest in school board elections.

The Subcommittee recommends: (19) That Home and School Associations should take a more positive role in making their local schools centres of community interest and enterprise.

Adult Education

Thomas Jefferson was a democrat who believed in education as a safeguard of democracy; and James Madison, his colleague and immediate successor, said, "A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or perhaps both."

With all our devotion to, and machinery for, education, it appears that few of the present generation of adults really understand the complex nature of our rapidly changing society. Answering the need for a more vigorous and broadly based programme of adult education, the Minister of Education initiated the organization in October, 1943, of the Alberta Adult Education Association, functioning under a Provincial Council, which in turn set about organizing Community Councils. The Association is assisted by, but not directed or administered by, the Department of Education. The Council's membership consists of representatives of existing organizations interested in adult education, and it is hoped through this body to co-ordinate and make full use of existing machinery with no unnecessary duplication. Close contact will be maintained with the Canadian Association for Adult Education.

Radio programmes, public forums, and study-group activities, supplemented by an extended library, film, and informa-

tion service, are to be used in promoting social understanding and insight both of individuals and groups, respecting the problems of social reconstruction and of a post-war world dedicated to the welfare of all the people. An attitude of open-minded inquiry in the study of these problems will be encouraged. Community-action programmes will be supported. To achieve these purposes, it is hoped to mobilize trained personnel.

The Subcommittee recommends: (20) That continued encouragement and support be given to a vigorous and broadly based programme of adult education.

3. PROVINCIAL INSTITUTIONS

The University of Alberta

Beginning in 1908 with 45 students, the student population of the University of Alberta grew to 2,337 in 1939-40. During this period the University became firmly established in the life of Alberta and widely known for the quality of its graduates, for its contributions to science and letters, and for extra-mural services organized through its Department of Extension.

The second World War found the University ready to contribute, not only its sons and daughters (as in the first World War), but also its full share of technical instruction, research, and other services which have become indispensable to modern warfare. Both wars caused temporary recessions in student registration, which during the fourth and fifth years of the present war stood at about 2,000. In the current year (sixth war year) it has risen slightly. A sharp increase followed the first War and will almost certainly follow this one, when part of the regular crop of matriculants will no longer be diverted to war services and when large numbers of older students will be returning under the Dominion Rehabilitation programme.

Two major needs require consideration:

- (a) More adequate accommodation for existing services;
- (b) Funds and facilities for new and expanding services dictated by modern world trends.

The first of these is obvious from the simple fact that no permanent buildings have been constructed on the campus for more than 20 years, during which period the student population has doubled. The second need may be shown by the two following lists of proposals submitted to the Committee:

Services or departments which might be expanded with advantage:

- (i) Teacher training for modern school programmes;
- (ii) Educational measurement and student guidance;
- (iii) Fine arts;
- (iv) Physical education;
- (v) Radio and adult education;
- (vi) Instruction and research in sociology and co-operation;

- (vii) Research in nutrition;
- (viii) Instruction and research in farm mechanization;
- (ix) Instruction and research in dairying and poultry;
- (x) The Faculty of Dentistry, the only one west of Toronto, and at present poorly housed and equipped;
- (xi) The Provincial Laboratory of Public Health, at present greatly cramped for space;
- (xii) The School of Nursing, to include hospital administration, ward teaching and supervision, and training of welfare workers;
- (xiii) Chemical engineering, to aid in developing Alberta's oil, natural gas, and coal resources.

New services or departments of instruction and research:

- (i) Farm management;
- (ii) The science of government;
- (iii) Geography;
- (iv) Russian, Chinese, and Latin-American studies, looking to wider trade and cultural contacts;
- (v) Preventive medicine;
- (vi) Physiotherapy;
- (vii) Training hospital technicians;
- (viii) Forestry;
- (ix) Junior colleges, to make higher education accessible to more people.

The need for most of the foregoing will be self-evident, and in some cases has been discussed in the Interim Report of the University Survey Committee (Sessional Paper No. 50 of 1942). Further explanation of certain proposals is given below.

Teacher-Training—The Interim Report of the Post-War Reconstruction Committee, tabled in the Legislature March 10, 1944, recommended that all teacher-training in Alberta be integrated. The Minister of Education has decided to delegate this task to the Faculty of Education in the University of Alberta. All teachers will be considered as pursuing a four-year course leading to the degree of Bachelor of Education. Many will interrupt their course at the end of two years, to become practising teachers. But the philosophy underlying the new system of training is that all teachers, whether of elementary, intermediate, or senior grades, stand equally in need of the highest qualifications, and should be encouraged by adequate salary and other inducements to proceed to a university degree. The first demonstration of integration came during the summer of 1944, when the former two separately conducted summer schools of the University and the Department of Education operated as one with all courses counting for university credit. The teachers showed their approval of the change by flocking into the summer school in unprecedented numbers, and by registering in substantially

increased numbers in the regular winter session of 1944-45. Full integration is expected to take place in 1945.

Under this new scheme, the Normal School staffs at Calgary and Edmonton will become members of the Faculty of Education, and continue to operate in the Normal School buildings. The headquarters of the Faculty will move from its present temporary quarters in St. Joseph's College to the Edmonton Normal School building. In this building it may be possible to house temporarily the University High School, but the Edmonton Public School Board should be urged to erect a special building for this school as soon as possible. A practice school is essential for teachers in training at any level, but such a school also gives complete service to the local community and it is a proper responsibility of the community to provide accommodation and staff. As the old Garneau School is entirely inadequate, it is reassuring to find that the Edmonton Public School Board has included a new University High School in its building programme submitted to the Post-War Reconstruction Committee.

It is interesting to find the McNair Report on Recruitment and Training of Teachers (Great Britain, 1944) recommending that their present two-year normal course of training be extended to three years, and putting more responsibility on the universities. In Alberta it is planned to take advantage of the return of large numbers of teachers from war service to teaching service to extend the period of teacher training to a minimum of two years. At that stage a license to teach will be awarded, leaving the high school teacher's certificate to be attained by further university attendance, either at the summer session or the regular session, or a combination of both.

The two-year course is as far as it is proposed to go at present in Calgary. The remaining two years of work for the B. Ed. degree will be taken in Edmonton. However, the association of the University with the Provincial Institute of Technology and Art in Calgary should make it possible to arrange there complete specialist training in the arts taught in the Institute.

The Argue Report recommends that entrance requirements to the teacher-training programme should be more exacting than at present. This is in line with its general advocacy of higher standards in all respects. From this attitude there will be little dissent. The Argue Report also recommends that the scope of the Faculty of Education be enlarged to include specialist training in kindergarten, primary, and secondary fields; in music, art, drama, and health education. These should be included also in its summer session offerings, arranged in sequence so that in successive years a student might get Music 1, Music 2, Music 3; Art 1, Art 2, Art 3; etc. The Faculty might profitably add "in-service" training through visits, publications, radio-talks, and other supervisory activities. It should also direct co-operative research and experimentation to foster professional growth.

Fine Arts—During the pioneering stage, the population of a new country is of necessity fully occupied with the problems of getting established and making a living. But the time has come

in western Canada when we should be developing cultural amenities to match our material progress. A better quality of life is in fact our most urgent need, if we are to become a stable, happy and contented people. The Banff School of Fine Arts, conducted by the University of Alberta with the co-operation of the Provincial Institute of Technology and Art, has already made a splendid contribution to the quality of life in Alberta. With the follow-up work during the winter, it may fairly be said that we are developing a "grass roots" art and a "grass roots" drama in this province—something indigenous to our own soil, expressing the spirit of our own country, and not just an imitation of imported articles. Musical development has, however, lagged in this province by comparison with our neighbors, partly because there has been no follow-up during the winter of work done at Banff during the month of August. It is time to fill this hiatus in the university organization, and to strengthen and organize more formally a university department of fine arts. This is the more urgent since the University is taking over responsibility for all teacher training, and art, music, and drama are all subjects in the secondary school curriculum.

Physical Education—The new emphasis on physical fitness engendered by our war experience, should be reflected in strengthened programmes of physical education at every level. Hitherto only first-year students at the University of Alberta have been required to pursue a course in physical education, though all students have been encouraged to participate in games or sports of various kinds, under the leadership of coaches. During the war, physical training has been largely replaced by military drill. The National Council on Physical Fitness recommends that physical education for all students should be introduced. This should become possible if military training, though perhaps still required of all students in the post-war period, is reduced to not more than two hours a week (as compared with the present four to six hours).

The National Council also recommends that universities should establish degree courses in physical education and health. Granting that fully trained specialists are required, and that Canadians should not be forced to go to American universities to get degrees in physical education, it would still seem that one university might serve the four western provinces in this respect.

Chemical Engineering—Instruction in Chemical Engineering at the University has been carried on a makeshift basis for 18 years. In spite of this the course grows steadily in popularity. Forty students in second-year engineering in 1943-44 desired to register in this option in 1944-45, but the maximum number which could be accommodated is 24. The University of Alberta would seem to be the logical place in western Canada for instruction and research in petroleum engineering, a special branch of chemical engineering.

World Relations—The University must prepare students to enter a world in a state of transition. Government, Geography, Russian studies, Chinese studies, Latin-American studies, are

all subjects made more urgent by the trend of world affairs and Canada's growing importance among the nations. At present these subjects are only lightly touched upon in the curriculum of the University of Alberta. In some cases there should be room for dividing the field with other universities. For example, since Vancouver is the main gateway to the seaborne routes to China, the University of British Columbia might undertake Chinese studies, and since Edmonton is the gateway to the overland and air routes to Russia, the University of Alberta has initiated a course in Russian history this year and plans a course in the Russian language for the next year. Other studies necessary to an understanding of Russia and the promotion of satisfactory intercourse will be developed later.

Forestry—The Prairie Section, Canadian Society of Forest Engineers, at a meeting in Winnipeg, November 11, 1944, passed a resolution urging the immediate establishment of a professional school in forestry at one of the prairie universities, supplemented by short courses in all three provinces for rangers, timber markers, scalers, and inspectors. The resolution pointed out that the three prairie provinces contain 90% of the forest lands of the West, that forest industries come next to agriculture as a field of employment, and that very few foresters trained in the East or in British Columbia seek employment in the prairie provinces.

Junior Colleges—The growth in population during the 36 years since the University opened its doors to the youth of this Province would seem to justify extending its services more directly to Calgary district residents. The proposed integration of teacher training in the Normal Schools and Faculty of Education would facilitate the establishment of other university courses at Calgary. Indeed, the extension of the teacher-training programme to two years will necessitate teaching certain Arts and Science subjects required by these students in Calgary. It should be a comparatively simple matter to add what is necessary for the programme of other students looking forward to the completion of work for the B.A. and B.Sc. in Edmonton. Conceivably the attendance in junior courses in Arts and Science at Calgary might grow to such a point over a period of years as to justify adding the senior years in this faculty. It is not expected to become practicable to duplicate courses in the professional faculties beyond the first year, except in the case of Education. The establishment of junior university courses at Calgary is made urgent by the prospective congestion at Edmonton when students returning from war service are added to the regular crop of matriculants.

Junior colleges should provide not only junior courses for students proceeding to a university degree, but also a two-year programme of terminal courses leading to a diploma, with admission not based upon university matriculation but rather upon some standard of maturity and intellectual development appropriate to the course to be pursued. Association with the Institute of Technology should be especially valuable in developing courses of this kind. Evening courses of smaller compass might

be arranged for adults. Many of the courses in the teacher training programme are of general educational value, and might well constitute the greater portion of the junior college programme. It would be necessary, however, to increase the staff considerably over that required for teacher-training alone, especially to take care of evening classes. These new institutions should fill the need for a "people's university," serving a wider clientele with a type of instruction not available hitherto in the University of Alberta. In due course, junior college work of this nature should be made available at both Calgary and Edmonton, but the initial development might take place more conveniently at Calgary, as an extension of the programme required by the addition of a second year of teacher-training there.

The Subcommittee recommends: (21) That the University continue its development in the direction of serving more people on a broader basis.

(22) That the integration of all teacher-training in Alberta be completed.

(23) That the University establish a junior college at Calgary and later at Edmonton, in association with proposed new teacher-training colleges.

(24) That an adequate building programme on the campus of the University of Alberta in Edmonton be carried out as rapidly as possible.

(25) That the Edmonton Public School Board be urged to provide a new University High School building as soon as possible.

(26) That the University add to its staff and departments, as may be necessary and practicable, to meet changing conditions.

(27) That the University of Alberta co-operate with other universities in the prairie provinces, in providing all the higher educational services required in this region, such as physical education and forestry.

The Institute of Technology and Art

Earlier in this Report, reference was made to vocational institutes as places where students may pursue, on a level above that of secondary schools, more intensive and specialized training in the skills pertaining to various trades. The Principal of the Provincial Institute of Technology and Art, at Calgary, submitted a brief on the function and possible scope of this Institute in the post-war years. He points out that the service trades dealing with electricity, gas and water distribution, transportation, farm mechanization, building, etc., make up a large part of our industrial life, and are just as vital to the welfare of the community as the work done by the learned professions. During the 28 years since its inception in 1916, the Provincial Institute has made an excellent contribution to technical education in Alberta, and developed courses and methods of instruction which go far to meet the needs of many of the youth of this Province. There

is no doubt that it is destined to play a more and more important role as industrialization proceeds.

Referring to the proposal to establish a branch of the University in Calgary, the Principal quotes Dean C. R. Young, of the University of Toronto, that: "Experience has shown that it is not practicable for a degree-granting engineering college to attempt parallel technical institute activities on the same campus, under the same administrative and teaching direction, and during the same operating hours." This is logical enough, as the larger professional school is likely to become the main interest of the staff, to the comparative neglect of the institute. With an **independent** staff devoting its full time and interest to the work of the institute it has been demonstrated at the University of Saskatchewan and elsewhere that a diploma-granting school of agriculture (vocational institute) can operate happily and successfully alongside a degree-granting faculty of agriculture. However, no proposal has been made to move the University Faculty of Applied Science to Calgary. True, the Calgary branch of the Engineering Institute of Canada has been pressing the University to organize first-year courses in engineering there, but even if this is found practicable it seems highly unlikely that such junior courses could exercise any adverse influence on the institute. Indeed, they might even pave the way to establishing the same happy and profitable relations between the Institute and the Faculty of Applied Science as have always existed between the Provincial Schools of Agriculture and the University Faculty of Agriculture. Every year several of the best students in the Faculty of Agriculture come from the Schools of Agriculture, normally with a year's credit in professional subjects. The Society for Promotion of Engineering Education points out that, "A fair proportion of those trained (in technical institutes) advance in time to a professional status." Already a considerable number of Provincial Institute graduates have continued their training in universities and are filling important posts in the engineering life of the country. The way should always be open to those who are genuine "university timber" to proceed to the highest degrees.

The amalgamation of the Normal Schools with the University Faculty of Education, and the establishment of a Junior College at Calgary with terminal courses as well as courses counting towards a degree, should give the institute new opportunity to serve in a wider sphere. It is especially equipped to offer instruction in industrial art and shop work qualifying teachers-in-training for specialist certificates. It should also offer these and other courses to students following junior college terminal programmes with a vocational outlook. If home economics and commerce are added to the Institute's programme as the Principal recommends, these would also fit into teacher-training and junior-college programmes. The principal also recommends adding to the existing wide range of electrical, mechanical, and building-trade courses, new courses in radio, electronics, power-plant engineering, short courses for apprentices, courses in tractor-drawn equipment, Diesel engines, various new aspects of aeroplane construction and maintenance, and evening courses in

a wide variety of arts and crafts. This sort of service should dovetail perfectly with the University's desire to develop a "people's college" in Calgary. The relations of the two institutions should be based on the principle of making the fullest possible use of the facilities of both with a minimum of duplication. The only point at which some difference of opinion has arisen concerns the division of the art field. The Institute, because of its history, is loath to consider any division. The University is content to leave industrial and commercial art to the Institute, but feels it must press its own development of the fine arts, not only because these are a traditional part of a university programme of liberal education, but also because of its responsibility for teacher training at Edmonton as well as at Calgary.

The Subcommittee recommends: (28) That the work of the Provincial Institute of Technology and Art be maintained and expanded as required to meet the growing need for vocational instruction at the institute level.

(29) That the staff and facilities of the Institute be used also to support the teacher-training and junior-college work of the University of Alberta in Calgary.

Libraries

As an instrument for education at every level, probably nothing exceeds in importance an adequate library service. The invention of printing, about 1450, made possible the preservation, transmission, and wide dissemination of knowledge, with the result that there has been more material progress since that date in all the preceding millennia. Within the present generation the accelerating pace of scientific and material progress has put a serious strain upon the economic and social fabric of our civilization. Public enlightenment on the numerous problems facing us is the first step to their solution.

Dr. Hadley Cantril, of Princeton University's Office of Public Opinion Research, published in May, 1944, the results of a survey which indicated:

That nearly 6 out of every 10 adult Americans do not know that the United States never joined the League of Nations.

That nearly 4 out of 10 do not know what a tariff is.

That nearly 7 out of 10 do not know how a peace treaty is approved under the American Constitution.

That 6 out of 10 have never heard nor read about the Atlantic Charter, and that 19 out of 20 are unable to name even one of its provisions.

While we may fondly hope that Canadian public opinion is better informed, we have no proof of this, and certainly are not entitled to base such a hope on any superiority in our public library system.

In considering what report and recommendations to make

upon a public library service for Alberta, the Subcommittee on Education had available the following documents:

- (i) Alberta Public Libraries Act, 1922.
- (ii) An Extension Programme for Alberta Public Libraries, prepared for the Canadian Library Council by Alexander Calhoun, Librarian of the Calgary Public Library, 1944.
- (iii) British Columbia Public Libraries Act, 1924, with Amendments, 1937, 1940, 1942, 1944.
- (iv) British Columbia Library Survey, 1927-28, and a Reconsideration, 1940.
- (v) Report of the British Columbia Public Library Commission, 1943.
- (vi) Libraries for Today and Tomorrow, by Nora Bateson, Director, Regional Libraries Commission, Department of Education, Halifax. Food for Thought, January, 1943. Republished by the Canadian Library Council as pamphlet entitled, "Rural Canada Needs Libraries," 1944.
- (vii) Libraries in the Post-War Period. Report of Chief Librarian to Toronto Public Library Board, January, 1944.
- (viii) Library Needs in Saskatchewan. Summary of a Brief on Post-War Library Services, submitted to the Saskatchewan Reconstruction Council by the Saskatchewan Library Association. Food for Thought, May, 1944.
- (ix) Library Service for Canada. Brief of the Canadian Library Council submitted to the House of Commons Special Committee on Reconstruction and Re-establishment, 1944.
- (x) A National Library, by Elizabeth Dafoe, Librarian, University of Manitoba. Food for Thought, May, 1944.

A glance over the foregoing titles and authorships reveals a widespread interest in the more adequate development of library service in Canada, and that some provinces have taken definite steps through commissions and regional libraries to organize such a service.

The British Columbia Public Library Commission dates from 1919, and in 1927-28, with the financial assistance of the Carnegie Corporation, made what is probably the best and most elaborate library survey yet made in the Dominion. The conclusion from that survey, reaffirmed in 1940, was that an adequate and effective library policy must provide not only for the encouragement and development of existing city public libraries, but also for the establishment and extension of a public library service: (a) for populous district municipalities and smaller cities, (b) for schools, (c) for well-populated rural areas, often in or near municipal districts, (d) for less populous rural areas all over the Province, and (e) for sparsely populated and often isolated frontier communities. The Survey Report recommended that the supervision of all public library affairs should be uni-

fied under a Commission of seven members, responsible to the Minister of Education and operating through a capable director and trained professional staff. The Reconsideration, in 1940, revised the number of commissioners to five and questioned whether transferring the Commission from the jurisdiction of the Provincial Secretary to that of the Minister of Education would be necessarily advantageous, since in the Department of Education it might be so far outweighed by the school system as to be in danger of neglect. The important thing, it was emphasized, was to have it associated directly with a Minister who is keenly interested in library service. An interior depot was established at Prince George in 1931, but is not yet supported by the railway library-car service originally contemplated. Certain other important results followed the Survey, notably the establishment, with initial aid from the Carnegie Corporation, of Union (regional) libraries in the Fraser Valley, the Okanagan Valley, and Vancouver Island. The first of these now serves a population of some 37,000 at a rate of 35 cents per capita, through a distribution system of 27 branches, 62 bus stations, and 53 schools. In the Okanagan Valley, 16,000 persons are served at a per capita tax rate of 43 cents, and on Vancouver Island, 23,000 persons at 40 cents. It is estimated that a per capita rate of 50 cents would be required to maintain a satisfactory standard of service.

Prince Edward Island, a compact area with a population of about 90,000, is served by a province-wide system with 24 branches and deposits in many country schools, initiated by a grant from the Carnegie Corporation and now administered by the Provincial Government at a rate of 27 cents per capita. Nova Scotia, following a survey in 1937, established the next year a Regional Libraries Commission of five members, which appointed a Director and has post-war plans for seven or eight regional libraries to be supported on a dollar for dollar basis by the Province and the region. With a Carnegie Corporation grant of \$50,000 available to purchase an initial book stock, it is expected the regional shares will be raised by taxes of 35 to 50 cents per capita. Ontario is organizing on the basis of county library associations, of which so far there are eight, county council grants of \$200 to \$600 being matched by provincial grants. Existing legislation does not empower county councils to levy library taxes, and the present scheme functions only through established libraries, each of which contributes \$25 a year to the common fund. The Eastern Townships Library Association in Quebec has been experimenting along similar lines to Ontario. Other provinces do not appear to have established regional library services yet, though every province has travelling libraries (boxes of selected books sent out on request to schools or other local organizations), and most provinces have open shelf libraries (mail service to individuals), these services usually being given by universities.

The Brief on Post-War Library Services, by the Saskatchewan Library Association, points out that the present inadequacy of school libraries is especially deplorable, since new teaching methods make the library the centre of school activities.

Pools of books at regional centres are proposed to meet rural school needs. The Brief points out that the work of the Government Correspondence School Branch, the University Extension Department, and the Canadian Legion Educational Services, is hampered by lack of library facilities for the pupils in rural parts. Reading suggested for the Citizens' Forum and Farm Radio Forum is for the most part not available in rural or small urban libraries. The first recommendation is for a Survey Commission and the second for a permanent Saskatchewan Library Commission, with adequate grants to carry on its work, including the training of librarians. The Commission is expected to co-operate with the National Film Board and other audio-visual agencies in establishing a library of films, records, and special materials for school and adult education programmes.

The Canadian Library Council, in its Brief to the House of Commons Committee, quotes from Carlyle that, "The true university is a collection of books," and points out that five million citizens of Canada are without any kind of public library service. It estimates \$1.25 to \$1.50 per capita as the cost of an entirely adequate service for every member of the population. This would include special service to children, encouraging them to organize hobby, literary, social study, and vocational clubs under trained leadership. The Brief points out that modern life demands greater skill, training, and information throughout the whole population, and emphasizes the part libraries may play in rehabilitation, especially of men and women who may not be able or willing to follow the Government pattern of educational rehabilitation. A Dominion-wide survey by a Library Resources Board, in co-operation with provincial agencies, is recommended. This Board could later serve as a central co-ordinating agency, which might also allocate adjustment grants to regional libraries according to local interest and needs. A population of 40,000 with a budget of \$25,000 a year (apart from buildings) is recommended as a minimum regional unit. A national library, containing every book and pamphlet published in or about Canada, maintaining a union catalogue of all books in government libraries and of rare and valuable books in any Canadian library, and which, though not a general lending library, would be ready to serve the unusual need with the unusual book, is considered a fundamental part of the whole library organization.

The Alberta Public Libraries Act, 1922, authorized the establishment of municipal library boards, and library tax levies up to one mill on the dollar upon the assessed value of all property; also the issuance of public library debentures to finance the purchase of land and erection of buildings; also dollar for dollar grants from the Provincial Government in aid of municipal library expenditures for books, magazines, and newspapers. Now, 22 years later, it is clear that this has not been enough to encourage adequate development.

Mr. Alexander Calhoun, in his report to the Canadian Library Council, points out that in 1939 Alberta spent 15 cents per capita on public libraries, as compared with 31 cents in British Columbia, 32 cents in Montana, and 37 cents in Ontario. Most

of Alberta's expenditures were in Calgary and Edmonton, where the per capita rate was nearly 50 cents. For the rest of the Province it was less than 4 cents. If Medicine Hat, Lethbridge, and Red Deer were given separately, the public library outlay for the rest of the province would be negligible. This residue does get some service from the Extension Library of the University of Alberta, at an outlay of about 2 cents per capita.

The first step here as elsewhere is to establish a Public Library Commission (serving without remuneration, but with a qualified, paid staff) charged with the duty of making a survey of the library needs of the Province and developing and supervising a policy to meet these needs. The Commission might be set up by Order-in-Council, and after making a survey it would be in a position to advise concerning a new Public Libraries Act defining in more detail its powers and duties. It has been suggested that the survey might be combined with a demonstration, using a railway library-car, if the co-operation of the various railways could be secured.

Mr. Calhoun feels that a very good regional library service could be financed by an annual expenditure of 50 cents per capita, as regional schemes can generally be operated quite economically. He proposes initial schemes to serve the coal-mining areas, the Peace River region, and the Lethbridge area. He advocates using the Drumheller Public Library as a regional library for that area, a library at Blairmore for the Crow's Nest area, the University Extension Library for the Nordegg and Coal Branch fields and for the Peace River region, and the Lethbridge Public Library for that region. These libraries could organize local distributing centres to be served by "bookmobiles". Further regional schemes might be based on the large school divisions and the larger municipal districts now being organized in Alberta. Libraries, or regional book distributing centres, should be an integral part of the community centres which many municipalities are including in their post-war plans.

Federal grants might reasonably be requested to supplement provincial grants in getting regional schemes started, since the initial outlay for buildings and books will be heavy. The possibility of getting assistance from the Carnegie Corporation should also be explored. After the first five-year period the schemes might be supported by a combination of provincial grants and municipal taxation.

The very direct and positive role which public libraries can play in adult education should be recognized and appreciated. Such libraries should be staffed to offer evening courses in directed reading on topics of current public interest and importance.

The Subcommittee recommends: (30) That a Public Library Commission be established by Order-in-Council with the duty of making a survey of the library needs of Alberta and of reporting to the Government concerning a policy to meet these needs and any legislation required.

Provincial Archives and Museum

Interest in the history of one's own province and country is a wholesome sign of civic maturity. In the Provincial Library there is the nucleus of a valuable collection of archive material but, since the death of Sir Cecil Denny, in 1928, there has been no trained archivist to collect, classify and care for such material. The task becomes more difficult with the lapse of time, as official records may be destroyed after they are thought to be "dead", and letters and private papers are constantly being discarded by persons unaware of their historical significance. Moreover, pioneers with firsthand knowledge of early events in the history of the Province are passing away.

A Provincial Museum could do for other material relating to the life and activity of the province what is done by archives for documentary material. Such a museum should include arts and crafts, natural history, and industrial collections as well as historical objects.

The original plan for the completed university buildings provided for the University Library and the Provincial Library (including the Archives) under one roof on the campus. This would leave the library in the Parliament Buildings exclusively a Legislative Library. There is much to be said for such an arrangement, which would keep source material in one place conveniently accessible to University scholars. In Saskatchewan, the Provincial Archives are housed in the University. But the University of Alberta has no accommodation at present for any of these things, and some of them are too important to await development of a long-term building programme. Government House is considered very suitable for museum purposes, and could also house the archives until these grow to a volume requiring a separate building. A special archives building would resemble a library in design and equipment, and might be built on the university campus.

The University of Alberta has Mr. Robert E. Gard working on a three-year programme (1943-46), supported by a financial grant from the Rockefeller Foundation, collecting folklore and local history as a basis for creative writing, especially the writing of drama. Public response to a request for material of this kind has been so widespread and generous as to make it important that there be no break in the work when the special grant lapses. Moreover, the quantity of material already accumulated is such as urgently to demand space for storage and skilled help to classify and make it available to students and writers. Furthermore, the Dominion Government has begun to sort and dispose of the old files relating to the natural resources of the western provinces. It is important that Alberta secure and care for such of this material as should be preserved in the Provincial archives.

The foregoing considerations, and the recommendations put forward in the Interim Report of the Post-War Reconstruction Committee March 10, 1944, led the Provincial Government to

establish by Order-in-Council, May 9, 1944, an Archives Committee to study the matter and report to the Executive Council. The Subcommittee on Education is informed that the Archives Committee filed a report early in December, 1944, outlining a number of successive steps which should be taken to develop a complete scheme providing for: (a) the registration and preservation of official public records; (b) the collection and preservation of historical records; (c) the collection and preservation of museum materials.

The Subcommittee recommends: (31) That Government House be earmarked now for use as a provincial museum and archives as soon as possible.

(32) That a provincial archivist be appointed before the university folklore and local history project terminates.

4. FINANCIAL REQUIREMENTS

The estimated cost of some of the Subcommittee's proposals is included in the discussion of the items concerned. These are listed below, numbered according to the terms of reference. Accurate estimates for the remaining proposals are not available, but rough estimates of a number are included to give some idea of their order of magnitude.

1. (a) Cost to the Province of students completing interrupted education at the prematriculation level	Nil
At university level, on basis of 500 students per year	\$ 85,000
(b) and	
(c) Cost to the Province of vocational training and retraining	Nil
2. (a) Annual cost of increasing teachers' salaries and pensions	1,000,000
(b) Annual cost to the Province of scholarships, \$30,000 increasing to	75,000
Annual cost to the Province of scaling down University fees about one-fourth	50,000
(c) Urban school building programme, nearly	5,000,000
Rural school building programme	7,000,000
(d) Cost of roads (see Report of Subcommittee on Public Works.)	
(e) Extra capital cost of six community schools over ordinary provision estimated in 2 (c)	250,000
Extra annual operating cost	30,000
(f) Extra annual cost of longer hours of operation, to use schools as community centres under Home and School Associations, per school	500
(g) Annual cost of Provincial aid to adult education	25,000

3. (a) University building programme	2,750,000
Cost of integrating Normal Schools and Faculty of Education, and extending minimum course to two years:	
Initial capital cost, Edmonton	25,000
Initial capital cost, Calgary	50,000
Extra annual operating costs \$15,000, increasing by 1950-51 to	82,000
Annual cost of junior college, Calgary	50,000
(b) Institute of Technology and Art:	
Initial capital cost of new equipment	150,000
Annual cost of maintaining equipment	5,000
(c) Regional library service at 50¢ per capita	400,000
(d) Provincial Archives:	
Initial annual cost of staff	7,000

5. FINANCIAL RESPONSIBILITIES

In Alberta the anomalous situation exists under which administrative units making the greatest financial effort, as indicated by the rate of taxation on property, commonly provide limited, even impoverished educational programmes, while wealthy units, sometimes with less than one-third the effort, secure much more generous and diversified educational offerings.

According to current assessment figures, ability to pay varies between the richest and the poorest school divisions in the ratio of ten to one, while school grants provided for these divisions vary only in the ration of one to three.

The Alberta School Grants Act has grown to its present form through the addition of many ad hoc amendments to meet new and special situations: There is urgent need now for an extensive revision of the Act, based upon a thoroughgoing inquiry into the cost of adequate and defensible elementary, intermediate, and secondary school offerings, and the ability of various administrative units to provide them.

The Secretary-Treasurer of the Alberta School Trustees' Association has stated that farm lands and personal property bear 83% of the cost of education, only the remaining 17% coming from provincial grants. In a Brief presented to the Royal Commission on Dominion and Provincial Relations, 1938, the Trustees' Association asserted:

"Under the conditions now prevailing we have reached the point where our real property assessment has become a levy on capital, and we realize that this condition cannot continue as our assessment base is steadily shrinking due to lower values and tax forfeitures.

"By way of contrast it might be pointed out that in Great Britain about 50% of the total cost of maintaining the schools is borne by the central government, although at the same time local school authorities enjoy a large measure of autonomy.

"We are advocating that either directly or indirectly the federal government give financial assistance."

The trustees feel that as education benefits all the people, its costs should be spread equitably over the whole country, by a system of taxation possibly only on a dominion-wide basis. They evidently recognize that Dominion aid must come through the Provincial Government, since they passed the following resolution unanimously at their annual convention in November, 1943:

"Resolved that the Alberta School Trustees' Association request the Provincial Government to assume one-half the cost of Public and High School education in Alberta."

Shortly afterwards the Alberta Association of Municipal Districts passed a similar resolution at its annual convention, urging also the establishment of a maximum rate of taxation on land for school purposes, and a more equitable system of sharing education costs throughout the Province.

The Dominion came to the aid of the Provinces in 1913 with a grant of \$10,000,000, spread over ten years, in aid of agricultural education; and again after the First Great War with a similar grant in aid of technical education. But in both cases the expiry of the grants left the provinces in a position of financial embarrassment, and the projects suffered. What is needed now is a continuing arrangement, with provision for periodic adjustments to meet changing conditions.

In Great Britain the total cost of education is now about £70,000,000 a year. Plans for educational reconstruction call for stepping this up gradually by another £80,000,000. Beginning April 1, 1945, the extra cost that year will be £5,500,000. By 1951-52, the increased expenditure is expected to reach £47,000,000. The State's share will be raised from the present 50% to 55%, but more will be done to assist those local authorities which are financially weak. It is recognized that the present disparity of resources as between one local authority and another gives rise to inequalities of opportunity which are in conflict with democratic principles.

Spokesmen for Canada's three major political parties went on record before the annual convention of the Protestant Teachers' Association of Quebec, in Montreal, October 8, 1943, in favour of raising teachers' salaries to such a standard as will ensure Canadians of the best type and qualifications entering the profession, and emphasized the necessity for federal aid to education with safeguards to ensure continued provincial autonomy in the field.

The Subcommittee recommends: (33) That the School Grants Act be revised to insure minimum standards of educational opportunity in all school districts.

(34) That the Province continue to press for Federal aid to education, with safeguards to ensure continued provincial autonomy in this field.



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Alberta Post-War Reconstruction Committee

REPORT of the Subcommittee on FINANCE

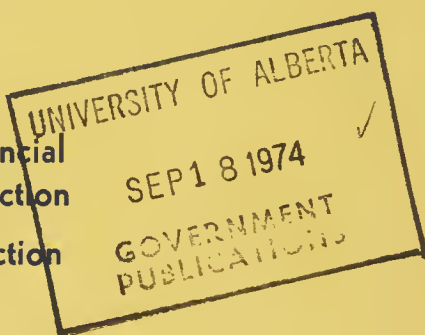
- ◆ Finance and the Economy
- ◆ Operation of the Monetary System
- ◆ Canadian Monetary System

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- ◆ The Problem
- ◆ National Financial Reconstruction
- ◆ Provincial Action

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- ◆ Recommendations



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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
 2. Alberta Post-War Survey.
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INTRODUCTION

The Post-War Reconstruction Committee was established with passage of the Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Mr. A. J. Hooke, M.L.A.

By Order in Council Number 1004/43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943 are detailed in the Interim Report, presented to the Lieutenant Governor-in-Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and uncompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Mr. Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the sub-committee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the sub-committee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a province-wide survey of household, farm, business, industrial and municipal programs for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labor organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. Today the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

Today, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavor, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator. And yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial, and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. And one of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein become the property of those who use them to create and acquire more property. Thus, the fruits of their labor become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it today; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized today, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces: policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple: it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavor to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally as obvious is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this: to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favored freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labor-saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labor, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labor-saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created. And since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfillment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee or persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have labored at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor-in-Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

FOREWORD

This Report is presented in two sections. The first section is the Interim Report, which embodies a comprehensive analysis of the financial system, and which was submitted to the Legislative Assembly of Alberta at its 1944 Session. The second section follows in both scope and content the Interim Report which must, therefore, be read in conjunction with it.

The two sections, taken together, constitute the complete record on financial reconstruction submitted in the final submission of the Alberta Post-War Reconstruction Committee.

A. J. HOOKE, Chairman,
Post-War Reconstruction Committee
and Sub-Committee on Finance.

March 1945.

FINANCE

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Recommendations

Issued by The Alberta Post-War Reconstruction Committee
Parliament Buildings, Edmonton, Alberta.

Report of Subcommittee on Finance

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PREAMBLE

In submitting a factual review of the existing financial system, we have found it necessary, for purposes of clarity, to divide our submission into three distinct parts:

- Part I—Relationship of the financial system to the economy.
 - Definition of terms used.
 - Basic principles arising out of foregoing.
- Part II—The operation of the monetary system in universal use, including:
 - The price system.
 - Financing production and consumption.
 - Public finance.
- Part III—Historical summary of Canadian monetary system.
 - Its operation prior to the war.
 - War-time adjustments.
 - Interim Recommendations.

While bearing in mind the necessity for adhering to factual data, it has been impossible to exclude clear definitions of the terms used, and, in order to adhere to the terms of reference, to submit the conclusions which follow from the facts stated. In respect to the question of whether the system provides an adequacy of purchasing power, on which we have been asked to report specifically, while we have endeavoured to confine ourselves to the only possible conclusions which can be deduced from an examination of the facts, it has been impossible to treat this matter on a basis which places it beyond the range of controversy.

The method used in our analysis of the financial system is inductive. We have found it necessary to reject all preconceived premises, whether or not they conform to accepted ideas, and to approach our task by building up from basic principles.

Part I

RELATIONSHIP OF THE FINANCIAL SYSTEM TO THE ECONOMY

1.—THE PLACE OF MONEY IN THE ECONOMY

Money is an essential feature of economic organization which, in turn, is the basis of the entire structure of civilization. As Sir Grafton Elliott Smith has pointed out very plainly in his book, "Human History," the birth of civilization can be traced to the settlement of nomadic groups in the Nile Valley to form the first communities. This revolution in human history which has resulted in the growth of a vast, complex and highly organized civilization occurred under

the definite impulse which induced wandering family groups to discard their traditional habits in favour of settled community life. This impulse was the conviction that by co-operating in this manner they would be able to secure objectives they desired and which would otherwise be impossible of attainment.

The problems created by the new mode of settled community life very quickly taught those pioneers of civilization the importance of organization, and thus were laid the foundations of the oldest science.

Without organization—crude as it must have been at first—even the most primitive social life would have been impossible, and during the intervening centuries it has evolved into a very exact science governed by certain basic principles. In order to establish the relationship of money to the economy, it is necessary to examine these:

2.—PRINCIPLES OF ORGANIZATION

- (a) **Objective.** The primary consideration in all organization is the objective—the purpose for which the organization exists.

Objectives of Society: The broad objectives of human endeavour in organized society is the acquisition by individuals of the maximum material—i.e., economic—security combined with the greatest possible measure of human freedom.

- (b) **Control.** The type of organization is determined by the location of control. Broadly, there are two types of social organization:

- i. One in which control is exercised by the persons comprising the community—i.e., by "the people." This is usually termed "**democratic.**"
- ii. One in which control is centralized and the people are subservient to the controller. This is termed "**authoritarian.**"

- (c) **Policy and Administration.** These are the two distinct aspects of organization:

- i. **Policy** is the specification of objectives in their order of priority entailing a broad course of action in their attainment.
- ii. **Administration** is the function involving devising and applying methods for the attainment of pre-determined objectives.

- (d) **Authority and Responsibility.** The allocation of responsibility is fundamental to all organization. All authority must carry with it corresponding responsibility and vice versa. Under democratic organization "the people" being the supreme authority, they must likewise assume supreme responsibility. All other authority has to be delegated by them and, in the final analysis, must carry with it corresponding responsibility to them.

- i. The limitations of democratic organization confine its application to matters of policy.
- ii. Administration is essentially a function involving individual responsibility carrying with it corresponding authority.
- iii. It follows that the people should be the supreme authority in regard to all matters of policy, but for the administration of such policy they would delegate authority to those possessing the

necessary qualifications, holding them responsible for providing the desired results.

- (e) **Sanctions.** Authority without the means to enforce it is non-existent.
- (f) **Spheres of Social Organization.** In organized community life there are two distinct spheres of organization:
 - i. **The Economic Sphere** existing for the purpose of satisfying the people's material requirements.
 - ii. **The Governmental Sphere** existing for the purpose of making the laws governing the relations between individuals within the community, and between the community and other communities.

3.—EVOLUTION OF MONEY

One of the first advances made in the early stages of community life was the division of labour. One man would confine himself to growing corn, another would raise cattle, another would spin and weave cloth and so forth. By thus concentrating on one or two lines, the aggregate production of the community was greater than by the diffusion of effort by individuals in an attempt to produce a wide variety of products for their own use.

This led to the necessity of exchanging goods and services. The first foundation of trade was laid by a system of barter, under which the cattle trader would exchange his products with those of the corn grower, the cloth maker and so on. This proved a very cumbersome arrangement, especially for the cattle trader who was obliged to drive his herds around the country, exhausting the animals, running the risk of stampeding, drought, sand storms and other hazards. Besides it was not always convenient to those with whom he traded to take delivery of the animals when he wanted their products.

A cattle trader, faced with these problems and having more than ordinary ingenuity, devised a simple expedient which was destined to have a far-reaching effect on the future history of mankind. Instead of taking his cattle around with him, he armed himself with a number of leather discs, with a mark on them identifying him with the discs. Each leather disc represented one head of cattle. These he would exchange for the products he wanted, telling the recipient that on presentation to him of one leather disc he would deliver one head of cattle.

This arrangement grew in popularity, and in time the use of leather discs extended beyond transactions between cattle dealers and other producers. A man accepting leather discs of a reputable cattle dealer for his corn, instead of taking delivery of the cattle would use the disc to obtain cloth or building material. The recipient would in turn use it to get goods he wanted, and in this way leather discs would change hands several times before finally being presented to its issuer in return for cattle.

In this way the first "money" evolved. Its convenience soon made it an indispensable aid to trade. Gold already being a sought-after commodity of value for superstitious reasons, and for this reason being more generally acceptable, discs of gold and other less valuable metals having an intrinsic value of their own, replaced the leather discs.

This second development established the system of money on a more extensive scale, and it persisted in that form for many years.

However, it soon became apparent that the indiscriminate issue of money reduced its exchange value in relation to goods, and that because money was a claim to the country's wealth, its issue was a sovereign power which should be exercised by the titular head of the State.

Thus the issue of money was transferred from the actual producer of goods to the sovereign authority in the State. This monetary system persisted for many centuries with no important development.

The next step in the evolution of our modern monetary system took place in England during the seventeenth century. At that time it was the custom for traders and others to deposit their gold money and plate with the goldsmiths, because of the risk from highway robbery as they travelled around the country. The goldsmiths would issue receipts to their depositors. When the traders wanted the gold for the purpose of paying for their purchases, they would deliver the receipts in return for it. Gradually it became the practice for traders to exchange their receipts for their purchases.

As in the case of leather discs, these receipts soon gained an "exchange value" equivalent to the gold it represented.

Traders who found themselves short of money in their transactions would go to the goldsmiths for temporary loans. The goldsmiths finding that they always had an amount of gold on deposit which was not claimed, would lend this out. It dawned on one of them, who was more ingenious and unscrupulous than the others, that he did not need to lend the actual gold in his keeping; that all he had to do was to issue a receipt for gold which he did not possess. In fact he found that he could issue receipts for several times the amount of the gold he had in his vault. This practice, which was, of course, most profitable to the goldsmiths, giving to them, as it did, interest on gold which they did not possess, soon became the customary system of banking—the goldsmiths turning bankers for the purpose of exploiting to the full this **easy road to wealth**.

Thus modern banking practice was conceived in a fraud which was destined to have stupendous results on future economic development. It should be noted that the goldsmiths' receipts became "bank notes" or bills, and the issue of the greater portion of the country's money was transferred from the State to private citizens.

The next important development came when the then established banks found that instead of requiring their depositors to withdraw actual money in the form of coins or "bank notes" (the I.O.U.'s of the goldsmiths which had become the kind of "money" in most general use) it was a great convenience to allow them to write "orders-to-pay" authorizing their bank to transfer money credited to transactions involving the transfer of figures from one account to runner of the modern "cheque."

Like the goldsmiths, who preceded them, the bankers soon found that under this arrangement only a fraction of the money on deposit was ever drawn out. Most transactions were carried out merely by the transfer of figures from one account to another without the actual money being withdrawn. Like the goldsmiths, they were

not slow to take advantage of this state of affairs. When customers came to them for loans, they found that bankers would lend them several times the amount of actual tangible money which they had on deposit, because these loans were for the most part used in transactions involving the transfer of figures from one account to another by means of cheques without involving the use of coins or "bank notes." In this way they were able to create credit which performed all the functions of money and thus to charge interest on "money" of their own creation which did not actually exist in any tangible form.

It should be noted that at this point control of the monetary system and exercise of the sovereign power of issuing money passed further into the hands of private citizens.

— This brief survey of the evolution of the money system brings us to the operation of our modern system of finance. Before proceeding to an examination of this, it is necessary to define the various terms which must be used in any such review.

4.—SOME TERMS DEFINED

- (1) **Money:** "Any medium which has reached such a degree of acceptability that no matter what it is made of, nor why people want it, no one will refuse it in return for his product" if he is a willing seller.

There are three distinct **kinds** of money in general use:

a. Coins—i.e. metal discs of silver, nickel, copper and alloys—of various designs and denominations. These pass from hand to hand in transactions involving small amounts. (**Note:** Gold coins which were extensively used some years ago have been replaced by paper bills.)

b. Bills—i.e. printed paper notes of convenient size with distinctive designs to indicate the various denominations which, in Canada, range from \$1 upwards.

Note: (a) and (b) are usually referred to as "**cash**" or "**currency**"—the terms used for tangible money which can be passed from hand to hand.

c. Deposit Currency or Credit—i.e. a kind of money which does not exist in any tangible form, but consists of entries in bank ledgers which are transferred from one account to another by means of "orders to pay" known as "cheques."

- (2) **Purchasing Power:** Money in the hands of consumers available to purchase ultimate goods or services in relation to the prices of such goods and services.
- (3) **Savings:** Money immobilized as purchasing power and set aside for future use.
- (4) **Capital Goods:** Goods which are not themselves required by consumers but which are produced for the purpose of providing consumers with ultimate products with greater efficiency, e.g., factories, plants, tools, railways, harbours, ships, roads, etc.
- (5) **Intermediate Goods:** Goods in the process of production from one stage to another on the way to the final stage for the consumer market.

- (6) **Ultimate Goods:** Goods for delivery to the consumer market. "The things that people want."
- (7) **Real Credit:** The measure of a nation's credit—i.e. the **belief** of its people that they can obtain the results they want in their co-operative association—expressed in terms of its ability to deliver goods and services as, when and where required.
- (8) **Financial Credit:** A nation's real credit expressed in monetary terms and measured by the ability to deliver monetary tokens as required for purposes of providing access to its real credit resources. Financial credit should be a reflection of real credit.
- (9) **Price; Price Value:** The money required by a seller in exchange for goods or services. Price is built up through the various stages of production by including production costs and payments for services. In its higher limits price is determined by what people will pay for the article or service; in its lower limits, price is determined by production costs. A manufacturer or other producer must recover his costs of production through the price of his products if he wishes to remain in business.

5.—BASIC PRINCIPLES

- (1) **Purpose of Society:** To enable individuals in association to gain by their co-operative efforts results they desire which would be either more difficult or impossible to attain otherwise.
 - (2) **Purpose of the Economic System:** To deliver goods and services as, when and where these are required.
 - (3) **Purpose of the Monetary System:** To facilitate the operation of the economic system in serving the purpose for which it exists. It is essentially a mechanism of organization:
 - (a) To provide inducements to individuals to co-operate in the productions of goods and the rendering of services which people want.
 - (b) To enable an equitable distribution of available goods and services to be made as between individuals, with the maximum freedom of choice being accorded to each.
 - (c) To enable an accurate accounting to be kept of the nation's production, consumption and other economic activities.
 - (d) To provide the people in a democracy—i.e., in a **natural** social order—with an effective voting mechanism which will enable them:
 - i. Individually to obtain the results they want from the available stocks of goods and services.
 - ii. To "vote" for the continuance as administrators of those firms who are giving them satisfaction, by buying their products and thereby "keeping them in business."
 - iii. Collectively to determine the volume and nature of production by their purchases—i.e., the use of their money votes.
- Note:** Under our highly complex modern money economy, to the extent a person has money in relation to the prices of the goods and services he wants he has economic "voting power;" to the extent he is assured of a sufficiency of economic voting power, he has economic security; and to the extent he obtains this under conditions over which he personally has control, he has economic freedom.

- (e) To enable individuals to forego their claims to a share of current production by virtue of the money they possess, in order that they may exercise their claim at some future time to meet their wishes.
- (4) **Issue and Withdrawal of Money:** Money being claims on the available stock of goods (including those coming within the category of providing services), it should be issued as goods are produced and withdrawn as goods are consumed.
- Because the issue and withdrawal of money, as to volume and the manner in which it is issued, determines the volume of production and the conditions under which it is issued and distributed, and because of the function of the monetary system as the "economic voting mechanism," control over the issue and withdrawal of money is a **sovereign power** which, in a democracy, should be vested in the people.
- (5) **Quantity of Money:** The quantity of money issued should be determined by the volume of production—i.e., by the extent to which the people desire to use their real credit to provide themselves with goods and services.

The total volume of money issued should at all times be sufficient to ensure:

- (a) That total purchasing power, i.e., money available to buy goods and services on the consumer market, is equal to the collective prices at economic levels of such goods and services.
- (b) That capital goods production and transactions within the productive and distributive systems can be adequately financed to meet the demands of consumers for goods and services.

Note: If total purchasing power is in excess of the collective prices of goods and services available for consumption, prices will tend to rise, thereby reducing the purchasing power of every unit of money. This condition constitutes **inflation**. If there is a deficiency of purchasing power in relation to the collective prices of available consumer goods, the latter cannot be bought to the extent of the deficiency, thereby tending to force down. This condition constitutes **deflation**. When carried to uneconomic levels it causes general dislocation.

Part II

THE MONETARY SYSTEM IN UNIVERSAL USE

1.—INTRODUCTORY

The main features of the monetary systems operating throughout the world are essentially similar, having developed from the same source. In recent years there have been some modifications in such countries as Russia, Germany and Italy. For purposes of

this review, these will be ignored and the system in general use prior to the war throughout the British Empire, Europe generally, the U.S.A. and South America will be considered.

This is known as the Central Banking System. In the case of the U.S.A. while the main features are similar, it is termed the Federal Reserve System.

Later we shall deal specifically with the Canadian system, to which the following considerations apply.

2.—THE ISSUE OF MONEY

i. **The Central Bank** (nominally under control of the Government, though in some instances enjoying extra-territorial powers placing it outside the control of the Government) is empowered to issue the paper money—bills of various denominations—and to control the issue of coins. For all practical purposes it is the issuing authority for currency.

Usually the Central Bank is limited in the volume of the currency it issues by the amount of gold which it holds, or, in lieu thereof, the market value of certain securities having an international acceptance.

Therefore ultimate control of the volume of paper money issued does not reside in the Central Bank. If, for example, the country imports goods at exchange prices in excess of its exports, the balance would become payable by the central bank in the gold or securities it held, thereby depleting the amount and curtailing its basis for issuing currency. The same result is brought about by the withdrawal of foreign deposits in the country and similar manipulations on the international exchanges.

When the Central Bank "buys" gold it merely writes a cheque on itself in payment. The gold mining company or other seller deposits this with his commercial bank, and the bank then has a claim on the Central Bank for a corresponding volume of cash or currency. Thus the "cost" to the Central Bank is merely the cost of the printing of the currency it issues. The same is true of the purchase of securities by the Central Bank.

When the Central Bank sends gold to another country in settlement of an obligation for a commercial bank or when it sells a security for which it receives the purchaser's "cheque" drawn on his bank, it has a claim against the cash held by the commercial bank.

These transactions are termed the "open market operations" of the Central Bank, and by this means it can increase or decrease the volume of currency (cash) in the country.

The Central Bank is the bank for the commercial banks. It does not deal with the general public.

ii. **The Commercial Banks** (called "Chartered Banks" in Canada) are privately owned and controlled institutions upon which the general public depend for their banking transactions. These are empowered to issue and withdraw the main supply of the nation's money by creating and cancelling financial credit (deposit currency) which does not exist in any tangible form, but consists of figures in

their ledgers representing money, transferable from one account to another by means of cheques.

"The essential and distinctive feature of a 'bank' and a 'banker' is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for borrowing and lending money, but it is a manufactory of credit."

"The student must therefore carefully observe that, in the language of banking, **a deposit and an issue are the same thing.** A deposit is simply a credit in a banker's book giving the customer a right of action against him for a sum of money . . ."

—"Theory and Practice of Banking,"
By H. D. MacLeod.

"When a bank lends it creates money out of nothing. The borrower becomes indebted to the bank for a sum to be repaid in the future with interest and the bank becomes indebted to the borrower for a sum immediately available."

—R. G. Hawtrey, Assistant Secretary,
H.M. Treasury of Great Britain, in
"Trade Depression and the Way Out."

It is the usual practice of commercial banks to limit the volume of financial credit they issue to ten times the volume of the cash held by them. (Their deposits with the Central bank are treated as cash, because they are entitled to claim cash for these.) Thus the volume of cash issued by the Central Bank controls the volume of financial credit issued by the commercial banks.

This financial credit is issued to the public by the commercial banks granting loans, by allowing money to be withdrawn as "overdrafts," by buying securities and by making purchases.

When a bank makes a loan to a customer, it credits his account with the amount and authorizes him to draw cheques against this. **A bank does not lend its depositor's money.** It creates the money it lends. The procedure is clearly described in the following quotation:

"74. It is not unnatural to think of the deposits of a bank as being created by the public through the deposits of cash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft or purchasing securities a bank creates a credit in its books, which is the equivalent of a deposit. A simple illustration, in which it will be convenient to assume that all banking is concentrated in one bank, will make this clear. Let us suppose that a customer had paid into the bank £1,000 in cash and that it is judged from experience that only the equivalent of 10 per cent of the bank deposit need be held actually in cash to meet the demands of customers; then the £1,000 cash received will obviously support deposits amounting to £10,000. Suppose that the bank then grants a loan of £900; it will open a credit of

£900 for its customer, and when the customer draws a cheque for £900 upon the credit so opened that cheque will, on our hypothesis, be paid into the account of another of the bank's customers. The bank now holds both the original deposit of £1,000 and the £900 paid in by the second customer. Deposits have thus increased to £1,900 and the bank holds against its liability to pay out this sum (a) the original £1,000 of cash deposited, and (b) the obligation of a customer to repay the loan of £900. The same result follows if the bank, instead of lending £900 to a customer, purchases an investment of that amount. The cheque which it draws upon itself in payment for the investment is paid into the seller's bank account and creates a deposit of that amount in his name. The bank, in this latter case, holds against its total liability for £1,900 (a) the original £1,000 of cash, and (b) the investment which it has purchased. The bank can carry on the process of lending, or purchasing investments, until such time as the credits created, or investments purchased, represent nine times the amount of the original deposits of £1,000 in cash.

"75. The process is much the same when we remove the assumption that there is only one bank. The credit granted by one bank may reach the accounts of customers in another bank. There is thus established a claim by the second bank upon the first for cash, and the ability of the second bank to grant loans is improved in so far as that of the first bank is reduced. Over the banking system as a whole, therefore, loans and investments made by the banks increase their deposits. There is, however, a limitation on this process. A bank which is actively creating deposits in this way will naturally find that a considerable part of the cheques drawn against them will be in favour of other banks. It will thus lose part of its cash reserve to those banks and must proceed to limit its loan operations if its normal cash ratio is to be maintained. In practice, therefore, no one bank can afford to pursue a policy of creating deposits by making loans or investments which is much out of line with the policies of other banks.

"76. The cash which the banks hold is partly in the form of bank notes and coin maintained in tills and reserves to meet current demands by customers and for exigencies, and partly in the form of a deposit with the Bank of England—the bank of the bankers. The latter credit affords first the means of settling day to day balances between banks and secondly the means of obtaining any further supplies of notes or coin that they may need for current use. A further cash item is represented by balances with other banks and cheques on other banks in course of collection. These claims on other banks, which are settled within a day or two, usually amount to about $3\frac{1}{2}$ per cent of the deposits, varying of course with the amount of business done by the bank."

—Sections 74-76 of the Report of the MacMillan Committee (of Great Britain) on Finance and Industry in 1931.

Similarly when a bank buys a security or makes a purchase, it draws a cheque on itself in payment. The seller deposits the

cheque to the credit of his account. This increases total deposits and is a clear addition to the amount of money previously in existence. This deposit appears as a liability in the bank's balance sheet and the security or property purchased appears as an asset.

It follows from the foregoing that ninety per cent of the money available for use is bank created financial credit. However an even higher proportion of all monetary transactions are carried out by means of this kind of money—that is by means of transfers of figures representing money which does not exist in a tangible form. For example in Great Britain less than 1% of the country's business is done in "cash."

Furthermore, for all practical purposes, all money is brought into existence by the banks as a debt. The public can obtain its money only by borrowing from the banks, selling a security (which represents a debt owing to the holder) to the banks, or selling property which the banks require—and which is charged against its profit and loss account, therefore likewise constituting a debt to be liquidated by the public.

The commercial banks can withdraw money—i.e., curtail the volume of money—by calling in loans or selling securities. When a bank loan is repaid, the money is withdrawn from the deposit of somebody's account. The total volume of deposits decreases correspondingly. This decreases the bank's liabilities and on the assets side of the balance sheet the amount of loans to customers decreases by a corresponding amount. For all practical purposes the money has been cancelled out of existence.

Thus the commercial banks have the power to issue and destroy money, thereby controlling the volume of production and economic activity generally.

3.—CONTROL OF THE MONETARY SYSTEM

In order to follow the lines of control over the issue of money it is only necessary to trace the effect of the Central Bank making a purchase of gold from a gold mining company within the country.

As all money is issued as a loan owing to the banking institutions in the aggregate, industry and trade must operate with working capital borrowed from the banks. Therefore it can be assumed that the gold mining company borrowed, say \$200,000 for its production costs of the gold being purchased by the Central Bank. Suppose it receives \$250,000 for this. It would obtain payment by means of a cheque drawn on the Central Bank which it would deposit with its bank. Ignoring any interest which would be payable; this would repay the bank loan of \$200,000, which would be cancelled out of existence, leaving a deposit of \$50,000 in the profit and loss account of the company.

The bank's cash reserve would be increased by \$250,000, because it would have a claim on the Central Bank for that amount of cash. This now enables the bank to create and lend at interest \$2,500,000 in financial credit—which at 5% would yield the bank an income of \$125,000 a year and a lien on \$2,500,000 of real wealth which would be the minimum value of security lodged with the bank against the loans. And of course the bank would have complete control over the lending of the new money it could issue;

it could extend loans for those purposes of which it approved, and refuse to grant loans for purposes of which it did not approve, or even withhold using the money for loans to industry and instead use their credit creating power to buy securities, or even if they so wished to buy property.

It should be noted that the central bank obtained the gold for nothing—having created the money for its purchase—and for all practical purposes this provided the banks with \$2,500,000 which they could use as they pleased.

However, the transaction does not end there. The Central Bank, with \$250,000 gold in its vaults might have statutory authority to issue four times that amount in currency. So that in addition to the \$250,000 cash that the bank in which the Central Bank's cheque was deposited can claim, it can issue another \$750,000 either by buying securities or by making advances to the commercial banks. On the basis of this cash, the latter can create and issue a further \$7,500,000 in loans to customers.

So that as a result of the Central Bank buying \$250,000 gold by writing a cheque on itself, \$10,000,000 of new money is lent into existence—which, for all practical purposes, represents a costless acquisition by the banks.

Now suppose that in order to meet external demands the Central Bank has to dispose of \$250,000 gold. It must immediately curtail its issue of currency by \$1,000,000 by means of open market operations. This in turn forces the banks to reduce their deposit liabilities by \$10,000,000—i.e., to reduce the amount of financial credit money issued by them. They proceed to call in loans to that amount, and the result is that because \$250,000 gold was shipped out of the country the volume of money in the country is reduced by \$10,000,000. The banks lose nothing except the interest by this transaction because it cost them nothing in the first instance, but the people lose access to real wealth to the equivalent amount.

It is now possible to examine the location of control of the financial system. As previously pointed out control of **policy** determines such control.

In so far as the public is concerned, they are dependent entirely upon the private commercial banks for obtaining their supply of money, and these institutions have absolute control as to the extent they issue money for productive purposes or withhold money from any undertaking **within the limits of their ability to create and issue financial credit.**

This ability, under the rules of the system, is in turn controlled by the supply of cash made available by the Central Bank.

The Central Bank, in turn (likewise under the rules of the system) has wide powers in this respect, but these are limited by an over-riding control centred in the international exchanges by being obliged to meet demands for external payments, on the one hand, and to maintain a stable exchange rate with other currencies on the other.

To crystallize the matter, ultimate control is centred in those who control the international movement of gold stocks and deal in the settlement of international trade balances.

It will be plain that actually there is no relationship between the ability of the nation to produce goods and services for its use and the volume of money issued. Under this system money supply is arbitrarily controlled by considerations which have no connection with general productive capacity. For example there is no possible connection between a miner in the Klondike or a Kaffir in the Transvaal digging up gold to be re-buried in the vaults of the Central Bank, and the ability of the nation to produce food for its use. Yet under the system described, the production of the latter is controlled by the former, for the volume and nature of production is dependent upon producers having the necessary financial facilities for the purpose.

Because of the dependence of the nation upon its monetary arrangements for gaining access to its real credit resources—its ability to produce goods and services for its use—as previously pointed out the issue of money is a sovereign power which, in a democracy, should be exercised by the people as the constitutionally supreme authority. Moreover, because the monetary system is essentially an elaborate system for accounting the economic affairs of the nation, it should reflect and be controlled by what takes place in the field of production, distribution and consumption.

Actually we find that the monetary system violates these two basic principles. Control of monetary policy is vested in a highly centralized private monopoly, with ultimate control being exercised outside the country, and instead of the operation of the system reflecting what takes place in the economic sphere, it actually controls production and distribution.

4.—FINANCING PRODUCTION

On account of the highly complex economic structure which has developed (with its various interlocking institutions and closely-knit organization) a general understanding of its operation in relation to the monetary system is lacking because it presents an apparently complicated problem. However, actually its main features are extremely simple to grasp.

The importance of the monetary system is that it is the essential mechanism of economic organization. By its means individuals are induced to associate in the many spheres of production, the extent and nature of this production is determined, the manner of its distribution is arranged, a record of the aggregate resources of the nation is recorded, as well as the individual citizen's claims upon them.

It has been shown that all money is issued as a loan repayable to the banking institutions and that for all practical purposes the public is dependent upon the issue of financial credit by the private commercial banks for its money supply. Therefore industry and trade are dependent upon this source for obtaining the money to finance production and distribution.

The procedure can be summarized as follows:

1. Industry obtains the money required to finance production in the form of loans from the commercial banks.
2. This is used to buy materials, to pay out wages and salaries and to meet other production costs.

3. All these "production costs" are carried forward from stage to stage in the production of goods and go into "the price" of the articles.

4. Ultimately the goods come on to the market and the consuming public surrender their purchasing power in return for them. This money collected through prices, should in theory, be equivalent to the total amount issued as purchasing power through wages, salaries, commissions, etc., and enable the bank loans to be repaid.

In this way the money is issued to the public as goods are produced, and is withdrawn and cancelled as goods are consumed.

It might be argued that an exception to the foregoing are the instances in which a firm operates on its own working capital. This, however, is not the case, for, all money being issued in a manner which creates a corresponding debt to the banking institutions any firm which operates on its own working capital does so by virtue of the fact that somewhere within the system there is a corresponding debt to the banks remaining unliquidated. Therefore the effect on the aggregate situation is the same as if such firms borrowed their working capital. Money paid out from the funds of such firms for wages, salaries, raw materials, etc., must be recovered in the prices of their products and returned to the fund, against which there is an unliquidated debt to the banks so far as the public as a whole is concerned. So that the **effect** is the same as if the money was borrowed from the banks, except that such firms are not, in themselves, so directly dependent upon bank control as they would otherwise be.

* * *

It now becomes necessary to examine the procedure broadly outlined above in greater detail by taking application to a particular firm.

A manufacturer of shoes, for example, may be producing 100,000 pairs of shoes a year. Say, total production costs, including profits for the shareholders, amount to \$200,000, of which \$100,000 represents the costs of raw materials, wages, salaries and profit, and the balance depreciation on plant and equipment, and other maintenance charges.

This firm will require \$100,000 during the year to meet its direct payments for raw material, labour, etc. But during that period there will be a flow of shoes going out from the factory to the consumer markets, and a corresponding flow of payment coming in. Therefore the firm will not require working capital for the full amount of \$100,000. Possibly a loan of, say, \$10,000 would suffice. This would be reduced as the firm received payments for the shoes from wholesale agencies, and would be increased again as the firm drew money to pay wages, etc., and to buy its raw material. The process is continuous and must be viewed on the one hand as a flow of loan credit from the bank going out to the public in wages, salaries and dividend payments—and to other firms in payment of the price of raw material, a feature which will be examined more fully—and, on the other hand a flow of products going out to the consumer market with price labels attached to them—price labels which include all the costs of production of which the wages, salaries, etc.—the incomes paid out—constitute an item.

The continuation of this procedure depends upon a corresponding flow of surrendered purchasing power from consumers being maintained. The purpose of producing shoes is for people to wear. To obtain the shoes the people go into the retail stores and purchase them by surrendering their "purchasing power," i.e., the money they possess for buying goods in relation to the prices of those goods. If the people do not buy the firm's shoes, its sales will fall off and the firm will not be able to pay off its debt to the bank. The bank will cut off the firm's credit supply, and not having access to the necessary money it will be obliged either to curtail or stop production.

* * *

The next matter to be considered is the relationship of various units of production. There are various stages in the production of goods for the consumer market—from raw material to finished product delivered on the market. At each stage the financing of production and the distribution of purchasing power is carried out on the broad lines reviewed above. As the goods in process of production—intermediate products—pass from stage to stage, so the debt against the purchasing power of the public is accumulated in prices. Producer A sells the partly processed goods to Producer B at a price which includes all his production costs. Producer B pays him from his working capital account provided by a loan from his bank. This enables Producer A to repay his bank and obtain a further loan. Producer B sells the partly processed product to Producer C, after carrying its production a stage further, at a price which includes what he had to pay Producer A plus all his own production costs—and so on down the line.

At each stage the debt to the banking institutions is carried forward against the accumulating price of the product.

. . . .

While the procedure outlined above applies to financing the production of goods for the consumer market, it is not applicable to financing capital production.

The method of financing capital production is very clearly outlined in a report issued by the Southampton Chamber of Commerce of England in the following words:

"The industrial system is engaged in producing two forms of products. Consumable goods which the community want and capital goods, such as factories, machinery, harbours, etc., which, in themselves, the community do not want, except as a means to furnishing consumable products more efficiently. It is in regard to the latter we desire to direct attention.

"Money incomes, which form the purchasing power of the community, are distributed alike in the production of capital goods and consumable goods. It has been demonstrated that the bulk of our money originates as financial credits, created and lent by the banking system. It is also common knowledge that banks rarely grant loans for protracted periods. The question arises as to how the production of capital goods is financed, as it is quite clear that this type of production cannot be financed by comparatively short term loans from banks,

for the costs in respect of capital goods can only be recovered over a period of time in depreciation and replacement charges.

"The process in the majority of cases is not dissimilar in principle to the following illustration which has been selected for clarity.

"A manufacturer of hats possesses no capital in actual money, but has the title of £15,000 of Government Securities. He decides to build a factory, and turn the undertaking into a company by offering shares to the public when the factory has been erected and has commenced producing. He secures a loan from his bank for £5,000 for the erection of the factory, and we will assume that the whole of this £5,000 finds its way into the 'common purchasing-power pool' of the community, via wages, salaries, fees, etc. On completion of the factory, he borrows another £5,000 for the purchase of machinery. The machinery manufacturer has produced the machinery by means of a credit-loan from his bank, and we will assume he has distributed £5,000 to the 'common purchasing-power pool' of the community—which has been enriched by £10,000 by the erection of the factory and the production of the machinery.

"The manufacturer of hats now acquires the machinery and pays over £5,000. This enables the machinery manufacturer to repay his bank loan, and, in effect, the debt has been transferred to the manufacturer of hats. There is now in existence a factory valued at £10,000, and the community are in possession of the equivalent amount of money. The manufacturer of hats invites subscriptions to shares from the public to the amount of £10,000. In effect, he re-collects from the 'common purchasing-power pool' of the community the £10,000 distributed in respect of the factory and plant. The bank loan is repaid and cancelled. There is now in existence a factory costing £10,000, but no money corresponding to this cost. When the factory commences production it must, of necessity, charge into prices a proportion of the £10,000 representing interest on capital and depreciation. The community do not possess the money to meet this charge.

"Let us assume that the manufacturer of hats, having got his first factory started, employed the same £10,000 credit-loan from the bank to carry out a similar undertaking. And let us assume that, on completion of the second, he embarked on a third and then a fourth. It is plain that the same £10,000 of money has now been responsible for the erection of factories and machinery costing £40,000. So depreciation and interest charges will be made on £40,000 without the community having the equivalent purchasing power to meet these costs.

"If it is borne in mind that in modern industry there are several processes, and at each stage capital charges arise in the same manner, it will be seen that the final cost of a product will be heavily loaded in respect of these capital costs, which the community will not be able to liquidate. As the factory and machine costs attaching to modern production are progressively increasing, this defect will become more pronounced."

We can now consider the general operation of the monetary system in relation to the economy. Again we quote from the Southampton Chamber of Commerce report:

"In the first place it will be clear that, as the bulk of money originates as credit loans from the commercial banks, practically all production must be financed from this source. In order to prevent confusion, we have taken the distributive trades as part of productive industry, engaged in performing the last of the processes required in the cycle of production from raw material to the marketed article.

"Industry performs a two-fold function. It produces goods and distributes incomes in the process. The operation of the relation of the monetary mechanism to production is along these lines:

- "(a) Industry mortgages its capital assets and secures the money necessary to enable it to pay wages, salaries, buy raw material and meet its overhead costs in the form of credit-loans from the banking system.
- "(b) In the process of producing goods, it distributes wages, salaries, dividends, and profits which filter through as money incomes to the entire community.
- "(c) The goods subsequently come on the market with price labels attached to them to include all the costs of production.
- "(d) The community acquire the goods in return for their money, which filters back through the productive system for the cancellation of the credit-loans originally created by the banking system.

"It should be noted that under this process industry is forced to charge into prices at least all its costs of production, irrespective of any question of profit, otherwise it cannot liquidate its indebtedness to the banking system. Thus it will be seen that the creation of financial credits by the banks results in the creation of a trail of costs attaching to the products of industry, and this trail of costs is created in the process of the financial credits filtering through to the community as money incomes."

It will be plain that in order for industry to sell its products outright to the consuming public at economic prices, the latter must at all times possess purchasing power in the aggregate to equal the collective prices of the goods (including goods involved in providing services) on the retail market.

Assuming that all money paid out in wages, salaries and profits—i.e., all incomes disbursed in the process of production—were used to buy the goods coming on the market and to meet the requirements of financing capital production, aggregate purchasing power would be deficient to the extent that prices of consumer goods were loaded by the depreciation charges of capital goods used in their production. This creates a chronic deficiency; and because the progressive process of industrialization involves a rapid expansion of capital goods and the replacement of wage earners by power driven machinery, the loading of prices by capital costs

will progressively increase in relation to "labour costs" thus increasing the deficiency of purchasing power.

However, this condition is aggravated by another factor—namely, the process of saving for purposes other than financing capital production. Such savings can be made only from the pool of purchasing power. If these savings are accumulated in savings accounts with the banks, the effect is to immobilize the equivalent amount of purchasing power and render goods to a corresponding price value unsaleable except on conditions which create a debt against future purchasing power—sales "on time" and other schemes of delayed payments.

The implications of this deficiency of purchasing power distributed under the monetary system will be examined later.

5.—SAVINGS

An essential feature of the monetary system is the necessity for the saving of money.

It has been shown that the entire structure of capital development—capital in the sense of production of factories, plants, railways, etc.—is financed by the savings and investment of money distributed to individuals. These savings may be invested directly by such persons buying "shares" in industry, or they may be indirectly invested through institutions which collect a large number of individuals savings for investment—e.g., insurance companies, investment trusts, building societies and so forth.

So far as the individual is concerned there is not merely an inducement for him to save in order that he may acquire a reserve of purchasing power, but there is an actual necessity for him to do so for the purpose of ensuring security for himself and his dependents in the future. While the individual citizen may have an "earned income" which provides him and his dependents with access to goods and services, if he is forced to leave his work through sickness, or he is dismissed by his employers, he would be without an income unless he has accumulated a reserve of "savings." Again if he should die prematurely his dependents would be left destitute unless by means of savings he has provided them with a reserve either by means of investment or life insurance. The same applies to old age when a person is obliged to retire from active work.

There is, moreover, a factor which makes the position of the individual increasingly precarious. The sole source of income—i.e., purchasing power—under the economic system as it is organized, is through wages, salaries, commissions, dividends, interest and profits distributed in the production and distribution of goods. Incomes obtained from services outside this field are merely a redistribution of a portion of the incomes disbursed in the production and distribution of goods—both capital goods and consumer products—and are included in the prices of the goods which come on to the consumer market. Thus in the final analysis the public has to depend upon wages, salaries, etc., distributed by productive industry and its distributing agencies.

However, the whole trend in the sphere of production under our modern industrial system is towards the mechanization of productive processes, so that few workers can produce more goods with the aid

of power-driven machinery. Thus the trend is towards the elimination of human labour in favour of machine labour, with the result that the distribution of incomes by industry is a diminishing factor in relation to its productive capacity. The constant and increasing threat of unemployment renders the position of the individual progressively precarious in regard to this dependence on his wages or salary. To the extent that he can do so he is literally forced to save or else face the possibility of destitution and dependence on charity or State relief.

Apart from the sheer necessity of saving under the system, from the individual's point of view it is highly desirable that he should be able to refrain from exercising his claim on current production, if he so wishes, so that he may have access to goods and services at a future date in such manner as he may choose—for instance as income in old age, as income for the education of his children, in the form of travel, as capital to buy a home and so forth.

From the community's point of view, under the established monetary system it is entirely dependent upon savings and investment for the capital development of its resources. And to the extent that such investments are equitably diffused through the community, it is a desirable arrangement for it ensures the operation of the monetary system as an economic voting mechanism in respect of capital development as well as production for the consumer market.

The inducement to people to invest their savings in industry is that, if the venture is successful, they will receive "a reward" in the form of dividends for abstaining from using their claim on existing production in order to finance an increase in the community's capital wealth. Conversely if the venture is unsuccessful—in other words, if the capital development proves to be something which consumers of the goods produced do not want—then it constitutes economic waste, and the investors will lose their savings.

Thus we find that "saving" is a beneficial feature for both the individual and the community, but, as it has already been shown, its effects on the operation of the monetary system are disastrous. To the extent that saving takes place, the purchasing power pool of the people is depleted and goods become unsaleable except on terms which create a liability against future purchasing power.

For example suppose that one million dollars was saved from current income to finance capital development. That one million dollars will be included in the prices of goods on the market. Therefore goods to the price value of one million dollars will be unsaleable. Suppose one million dollars is used to finance the building of a factory and **suppose** (which we have shown is not the case) the entire one million dollars was distributed in incomes, the goods previously unsaleable can now be bought. But meantime another million dollars has been saved to build another factory, causing a further shortage. The effect of this is exactly the same as if the same one million dollars was saved again to erect another factory. And as the process is continuous, it will be apparent that, in effect, the one million dollars could be used over and over again to finance the erection of, say, ten factories—the cost of which will all be included in the final price of consumable goods, but in respect of

which the people will have no money. In this way one unit of money can create many units of costs, but one unit of money can liquidate only one unit of such costs.

Similarly money saved and left on deposit with a bank creates a shortage of purchasing power against current production, and because, in the aggregate, there is always a volume of such savings immobilized as purchasing power (as one person withdraws and spends his savings, others replace it with new savings) there is a continuous shortage being caused thereby.

The conclusion is inescapable that savings constitute an anomaly of the system which renders them both as desirable and a disastrous feature. This fact has far-reaching consequences which will be considered later.

6.—VELOCITY OF CIRCULATION

It is generally assumed that the purchasing power of money is increased or decreased by its "velocity or circulation." However, this theory will not bear examination in the light of the facts regarding the issue and withdrawal of money under the established system.

For purposes of analysis the following simple illustration of the velocity of circulation theory will suffice:

A wage-earner A. uses a \$10 bill of his income to buy two pairs of shoes from a shoe merchant B., who immediately goes into the adjoining store and spends the \$10 to purchase some shirts from C.; C. in turn immediately goes across the street to grocer D, and buys some provisions costing \$10; grocer D. then takes the \$10 bill across to the local garage, E., to buy some gasoline and oil.

The contention is that the \$10 bill provided purchasing power to the extent of \$40 during the day by virtue of its "velocity of circulation" in enabling \$40 worth of goods to be purchased by consumers. On the face of it this would appear to be the case, but on examination it will be found to be a complete fallacy.

Because all money issued creates a debt of the corresponding amount at its source of issue, for all practical purposes merchants B., C., D., and E. can be assumed to be operating on credit loans from their banks with some "savings" invested in their stock.

The proceeds of every sale they make can be divided into three parts: (1) repayment of a bank loan before a new line of credit can be obtained to replace stock, (2) payment of operating costs and (3) net profit—i.e., personal income for services. Suppose that in each case B., C., D. and E. work on a 15% net profit. From each purchase amounting to \$10 they would be obliged to set aside, say, \$8.50 repayment of their bank loans for replacement of stock and overhead costs, and only \$1.50 as personal income.

This is likewise true of C. and D. Therefore by spending the \$10 both of them created a liability against their future purchasing power.

When A. obtained the \$10 in wages there was against it a corresponding cost in the prices of goods coming on the market. This liability must be kept in mind.

On buying the two pairs of shoes from B., A. surrendered his right to \$10 purchasing power and B. acquired the right to \$1.50 of

this, the balance going for the repayment of his bank loan and cancellation of the money as shown previously. (If he was operating on his own capital it would make no difference, for the \$8.50 would have to go to the replacement of working capital with the same result.)

If B. does not repay his bank loan, but spends the whole \$10, he will have a liability of \$8.50 outstanding which will constitute a debt against future purchasing power. In other words he will have to sell over \$50 worth of goods without getting any portion of it for his own use in order to make good the deficit.

Thus while it is true that in the example quoted the \$10 bill resulted in \$40 worth of goods reaching consumers, there was created a trail of debts against their future purchasing power amounting to \$10 (the liability against the original issue of the money) plus \$8.50 (B.'s undischarged liability) plus \$8.50 (C's undischarged liability) plus \$8.50 (D.'s undischarged liability), making a total of \$35.50. Suppose E. now meets his obligations of \$8.50, he retains \$1.50 as his net profit—i.e. as purchasing power.

It will be evident that the effect is exactly the same as if A. bought gasoline, etc., from E., and B., C. and D. had obtained goods from each other "on time," pledging their future purchasing power.

The so-called "velocity of circulation" did not increase purchasing power at all. The fallacy of the theory lies in the incorrect assumption that money "circulates," whereas actually it is issued against production, and withdrawn as purchasing power as the goods are bought for consumption.

7.—PUBLIC FINANCE

The basis of democracy is that the people shall be the supreme authority, who decide what results they shall obtain from the operations of the institutions which exist to serve them and who must be able to enforce obedience to their wishes. This is axiomatic.

Because of the impossibility of "the people," as the sovereign authority, coming together to make decisions on such matters, the system of representative government has been evolved. Under this arrangement the people in a given area elect one of their number to represent them, and these come together as representatives of the sovereign electorate. Under the British Parliamentary system the people's sovereignty is exercised by their elected representatives in Parliament on their behalf.

The extent to which this or similar democratic representative governments can provide the public services wanted by the people and generally give effect to "the will of the people" depends upon the money at their disposal to finance such undertakings. Therefore public finance is a vital aspect of democratic organization.

Under the monetary system in universal use, government revenue is obtained from two sources—taxation and borrowing.

Taxation is the term used to describe a levy which is made upon individual citizens or corporate bodies which requires them to surrender a portion of their purchasing power or other financial resources to those operating the machinery of government for the purpose of financing public undertakings and services. This levy

may take the form of a direct tax on income or capital resources or it may be an "indirect tax." Examples of the former are income tax, excess profits tax, corporation tax, and death duties; examples of the latter are sales tax, luxury tax, import duties, etc.

The theory of taxation is based on the assumption that total purchasing power distributed equals the collective prices of available goods for sale, and that, therefore, any demands on such goods by persons engaged in the public service can be provided only by all the citizens of the country surrendering a portion of their incomes for this purpose.

To the extent governments are unable to obtain the necessary revenue by means of taxation they resort to borrowing. As a rule such borrowing is considered legitimate for the purpose of financing capital development such as the construction of railways and roads; providing telephone lines, erecting buildings and so forth. The theory of Governments borrowing for such purposes is that as capital development of such a nature is authorized by the representatives of the sovereign authority it should take precedence over other capital development, and therefore it is legitimate for governments to compete with industry for the use of savings for the purpose.

The procedure generally adopted by governments in using the methods of borrowing to obtain revenue is to issue "bonds" for certain periods at fixed interest rates, provision being made out of revenue over a period of time for the repayment of the bonds at their maturity. This entails an annual charge against revenue in respect of both interest and repayment of principal.

Thus, on analysis, it is evident that all government borrowing is merely deferred taxation.

Governments being dependent upon revenue for carrying out public services, plainly the extent to which any government can provide the services which the people (the sovereign authority in a democracy) want depends upon the volume of its revenue, which, in turn, is governed by the taxes and loans it can obtain. The amount which can be obtained through taxation and borrowing is limited by the volume of money, and, therefore, ultimate control of government services resides in the control of the issue of money.

There are two sources from which governments can borrow money, the results on the economy are entirely different according to which of these two sources is used.

If bonds are purchased by the general public, then, generally speaking, the government obtains money which has already been issued by the banks and has reached people as purchasing power via wages, salaries, etc. In other words the money comes out of the general purchasing power pool of the public.

There are, however, two exceptions to this. (1) If an individual buys government bonds (lends money to a government) with money borrowed from a bank, the effect is the same as if the bank made the loan—a process which is considered below. (2) If a firm buys government bonds with the proceeds of money recoverable from the public through the prices of its products (e.g., reserves against depreciation) then it creates a double liability against the future purchasing power of the public—first the liability included in the price of its products, and secondly the liability incurred by the government.

In contrast, when a bank buys bonds, the total amount of money in existence is increased. As has been shown previously a bank merely writes a cheque on itself in exchange for the bond. This goes to the credit of the government's banking account as a clear addition to the money previously in existence. Nobody else's deposits are depleted by the transaction.

It will be plain from the foregoing brief review of the system of public finance that:

(1) A democratic government, acting for the constitutionally sovereign people, is limited in what it can do by the revenue it obtains from taxation and borrowing, which is, in the final analysis, dependent upon monetary policy. Any restriction of money supply by the action of the Central Bank or the private commercial banks, automatically restricts a government's ability to obtain revenue. Thus in practice democratic governments can exercise sovereign power only within the limitations imposed by those controlling monetary policy. Where such control is exercised by private interests it is, of course, within the constitutional authority of any democratic government to take over this essential sovereign power.

(2) During times of stress the private banking institutions can exercise considerable influence on governments by refusing to support government borrowings.

"Whoever may be the indiscreet minister who revives the 'money-trust' bogey at a moment when the government (Mr. Lloyd George's Cabinet, 1921) had most need to be polite to the banks, should be put through an elementary course of instruction in fact as well as in manners. Does he, and do his colleagues realise that 'half a dozen men' at the top of the five big banks could upset the whole fabric of Government finance by refraining from renewing Treasury Bills?"

—"Financial Times," 26th Sept. 1921.

(3) Money taxed or borrowed from the public until redistributed through public services depletes the already inadequate purchasing power available to buy the total goods and services. In this respect the basis for the theory of taxation—namely, that it is necessary in order to divert a portion of an adequate supply of purchasing power to public servants—is fallacious as it has been shown already.

(4) Money borrowed from the banks, being new money, increases the public's money supply to the extent it is paid out in incomes for public services.

(5) Money taxed or borrowed from the public to repay loans from the banks not only decreases purchasing power, but decreases the total volume of money to a corresponding amount. (Repayment of bank loans deplete deposits correspondingly.)

* * *

8.—PRELIMINARY SUMMARY OF CONCLUSIONS

1. The operation of the financial system does not conform to the basic requirements of democratic organization:

(a) The people, as the sovereign authority, have not controlled monetary policy.

- (b) Control of the entire financial system is vested in a virtual monopoly, for the most part consisting of private institutions exercising very wide powers including the sovereign power of issuing and withdrawing money, with ultimate control not located even within the nation.
- (c) This control over the entire financial system automatically carries with it control over every aspect of economic activity and renders even governments subservient to it. Democracy in any real sense is thus rendered inoperative, and for all practical purposes the actual power of government has been transferred to those controlling monetary policy.

2. The monetary system is restrictive and automatically generates a chronic shortage of purchasing power, with results that are likely to prove destructive of the entire fabric of organized social life:

- (a) The incomes distributed in the production of goods and subsequently available as purchasing power are insufficient to meet the prices of such goods as they come on the market.
- (b) This defect tends to increase as industrialization progresses.
- (c) The resulting restriction of production caused through the inability of producers to sell their products, is aggravated by the fact that while industrial policy is directed towards the progressive elimination of human labour from productive processes, financial policy requires the application of human labour in the economic sphere as a condition for obtaining an income—i.e., obtaining a claim on goods or services.

3. "Poverty amidst plenty," mass unemployment, increasing debt and taxation, industrial and trade stagnation, bitter commercial rivalry, social unrest and international strife are the inevitable results of such a system:

- (a) Improvements in industrial processes of production automatically lead to a reduction in purchasing power in relation to the prices of the goods produced. Thus instead of increased security with more leisure for all resulting from increased productive capacity with a decrease in manpower requirements, greater insecurity and mass unemployment result.
- (b) Under the pressure of having to sell their goods in a market inadequately equipped with purchasing power, manufacturers and merchants are obliged to extend credit (i.e., debt), sell on time and resort to various devices to get rid of their goods in return for claims on future purchasing power. This merely pushes the problem into the future and progressively aggravates the situation.
- (c) As these effects on the economy become increasingly acute, governments are driven to expand social services. Unable to get the necessary revenue from taxation they are forced to resort to borrowing, which increases their future liabilities, necessitating an ever growing debt structure to be maintained by increasing taxation and borrowing.
- (d) Primary producers and manufacturers are driven to bitter cut-throat competition in a home market inadequately equipped with

purchasing power. As trade decreases and goods cannot be sold in the home market they are driven to seek external markets. However, as the same condition exist in all countries operating on the same system, bitter rivalry for markets develops as every nation's producers attempt to "blast their way" into each other's home markets. Internal social unrest and international friction leading to war must be inevitable results of these conditons.

4. Periodic trade depressions—virtually a partial collapse of the economic structure—of increasing frequency and intensity will be the outcome of the foregoing defects in the monetary system.

Part III

THE CANADIAN MONETARY SYSTEM

1. HISTORICAL SUMMARY

(From the *Canada Year Book*, 1938)

α.—The Development of Currency in New France

So long as trade remained in the hands of a few private traders, barter was the rule. Beads and other trinkets which appealed to the Indians, blankets and other useful articles, were traded directly for furs. With the further development of the colony during the French regime, while barter still remained, the growing complexity of social organization and trade emphasized the need for a convenient monetary unit, which was met by the adoption of French currency, but, in order to retain in the colony the gold and silver coin which arrived there, it was 'over-rated' to the extent of about one-third of its value in France. Thus there was a dual valuation of the same coinage, officially recognized as 'money of France' and 'money of the country.' Copper coins were given an even higher over-rating. Nevertheless, money remained very scarce and at one time wheat at current market rates was made legal tender in spite of the difficulties and hindrances to trade inherent in fluctuating values. The illicit fur traffic with English fur traders resulted in the introduction of Spanish silver dollars as well as various worn and mutilated coins to help fill the need. In 1681 foreign coin was officially recognized but it was stipulated by ordinance that it should pass by weight; it was given the one-third increase in value which custom had established for French currency.

One of the earliest forms of fiat paper money in the western world was introduced into New France in 1685. This 'card money' as it was termed, was not introduced primarily to meet the lack of circulating media (although, incidentally, it did relieve the prevailing scarcity) so much as an official expedient to meet the pay of soldiers until the annual Royal supplies were forthcoming. The first issue was backed by such annual supplies and was duly redeemed when the supplies arrived, but five years later another issue was made without such backing. This was the beginning of an inflationary move. By 1713, the amount of such unbacked currency

outstanding was such as to reduce trade to a chaotic condition and confidence was seriously undermined. Later, card money was again resorted to, but on a sounder basis. The expanding needs of the Treasury, however, unfortunately brought about the introduction and unlimited use of **ordonnances and billets** which quickly undermined the financial structure again, and at the time of the cession, the total amount of paper money outstanding was estimated at 80 million livres. It was because none of this paper money in its later issues was paid in full, and much of it was not redeemed in any manner, that the people of Old Canada resisted so firmly the efforts made in 1792, 1897 and 1808 to establish banks of issue under the authority of Parliament.

In 1721 the first effort was made to establish a special currency for the colony, but this was limited to copper coins and was not successful.

b.—The British Period to Confederation

The period of military occupation (1759-1763) was marked by conditions of chaos in the matter of currency, but with the revival of the business activity of Montreal and Quebec with Nova Scotia and Massachusetts the currency standards of the latter were adopted and the Spanish dollar again made its appearance. It became the medium by which exchanges were balanced with Britain. Normally, the Spanish dollar was valued at 4s. 6d. sterling, but the tendency was to over-value it and in colonial ratings it varied between 4s. 6d. to as much as 7s. or 8s. In Nova Scotia, for instance, the customary rating for the Spanish dollar was 5s., while in New York colony it was 7s. 6d. to 8s. Corresponding margins of value prevailed in regard to other coins in the different colonies. The former of these two standard ratings, known as the Halifax currency, was accepted by Quebec, and Montreal adopted the latter, known as the York currency. Of course, there was much confusion and hindrance to trade between Montreal and Quebec as a result of the adoption of the dual standard.

In order to iron out the difficulties, Governor Murray passed an ordinance which established an official rating for the Province of Canada. The Spanish dollar was rated at 6s., the French crown at 6s 0½d., and the British shilling at 1s. 4d. The custom of cutting up larger coins to make small change, which had grown up in the past, was prohibited. To meet such urgent needs for small coin, the merchants themselves issued bills due or 'bons' good at their face value for merchandise. Such 'bons' were the true forerunners of the bank note. The ratings given by Governor Murray were a compromise which was not permanently acceptable and proved unsatisfactory.

After the outbreak of the American Revolution in 1775, Quebec influences prevailed and Halifax currency became standard, although the use of York currency persisted in Upper Canada (where the United Empire Loyalists supported its use) until 1821, when it was deprived of legal recognition by an Act of Upper Canada.

In order to pay the expenses of the War of 1812, army bills issued against the credit of the United Kingdom were circulated. These, in the main, bore interest and were convertible into bills of exchange on the United Kingdom; they were redeemed within the ensuing four or five years. These army bill issues tended to renew

confidence in paper money and familiarize the people with its use, thus paving the way for the note issues of the early banks after 1817. These first banks were created in Lower Canada, at first as private corporations but obtained charters a few years later. The charters granted to the early banks in Lower Canada are the foundations upon which subsequent improvements have been built.

In the early days of banking, one of the chief functions of banks was to issue promissory notes payable to the bearer on demand; where the banks' credit was good, these notes passed freely from hand to hand, and were the chief circulating media in the Canadas. In some cases bank notes were preferred to those issued by the colonial governments.

The Bank of Montreal began business towards the end of 1817 as a private institution. In the following year the Quebec Bank was established as well as the Bank of Canada at Montreal. These three lower Canada institutions obtained their charters in 1822. In Upper Canada the Bank of Upper Canada was established at Kingston in 1818, but the first bank to receive a charter was the second Bank of Upper Canada established at York (Toronto) in 1821. In Nova Scotia, unsuccessful efforts were made as early as 1801 to form banks, and in 1812 the Government began to issue treasury notes not bearing interest and re-issuable sometimes redeemable and sometimes not. This policy was continued down to Confederation. It seems to be in part because of these treasury issues of notes that no bank was started in Nova Scotia before 1825, when the Halifax Banking Company (private) commenced business. The Bank of Nova Scotia received a regular charter in 1832. A bank, the Bank of New Brunswick, was incorporated in New Brunswick in 1820.

Before the union of the two Canadas, the privilege of issuing paper money had been enjoyed almost entirely by the banks alone. Lord Sydenham now proposed a Provincial bank of issue with the chartered banks gradually relinquishing the right to note issue, and Hincks,* a young financier of promise, became chairman of the Joint Committee on Currency and Banking established in 1841. This Committee supported the Provincial Bank idea in principle. The chartered banks, of course, opposed it, and the bill was ultimately defeated, but the principle reappeared in subsequent measures and ultimately became the basis of the Dominion note issues. Lord Sydenham and Hincks did much, nevertheless, to strengthen and control the banking system.

A period of crisis in 1848-49 forced the adoption of a policy which led to the withdrawal from the banks of the right to issue notes of lower denominations than five dollars. The Government also now issued provincial debentures to the amount of one million dollars payable on demand. They were made acceptable in all payments due the Government and were re-issuable. This is often regarded as the introduction of government paper into currency system of the country, although as already noted, Nova Scotia had issued government paper in 1812. Its success led to the revival of the project for a provincial bank of issue and in 1850 the Free Banking Act, de-

*Later, as Sir Francis Hincks, he was Dominion Minister of Finance (1869-73). His influence on the development of Canadian banking was very marked until his death in 1885.

signed to restrict note issue privileges and so reduce the number of different media of exchange, was passed, but the chartered banks would not agree to avail themselves of its provisions, nor were conditions in Canada altogether ripe for a change from the elastic system of note issue which had now become established in spite of the fact that, from the point of view of the note-holding public, the proposed system would have been safer.

Between 1840 and 1867 the problem of establishing a uniform metallic currency standard for united Canada was also dealt with. The majority of Canadians strongly favoured the United States decimal system and Hincks declared in its favour. Authorities in the United Kingdom, on the other hand, pressed for the sterling system. In 1853 and in 1858 the decimal system was adopted in the Canadas, and thus duplication of sterling and decimal systems was removed and the Canadian dollar, equivalent to the United States dollar, was established with the sovereign as legal tender. After 1860, the official accounts in Nova Scotia and New Brunswick were kept according to the decimal system.

c.—The Development of Currency and Banking After Confederation

i. **Currency Acts.** At Confederation, jurisdiction over currency passed to the Dominion Government. By the Uniform Currency Act of 1871 (34 Vict., c. 4), the decimal currency was extended throughout the Dominion; the British sovereign, rated at \$4.86 $\frac{2}{3}$, became the standard coin and the United States eagle was made legal tender for \$10, while authority was given to coin a Canadian \$5 gold piece. No Canadian gold coinage was issued, however, prior to the establishment of the Canadian branch of the Royal Mint in 1908, the first coins struck being sovereigns similar to those of the United Kingdom, but with a small "C" identifying them as having been coined in Canada. In May, 1912, the first Canadian \$10 and \$5 gold pieces were struck, but the Canadian gold coinage has so far been limited in amount since Canadians have generally preferred Dominion notes to gold for use within the country, and, when gold is needed for export, bullion or British and United States gold coin serve the purpose equally well.

The currency system established by this Act was very little changed until the Currency Act of 1910 which made the standard a fixed weight of fine gold instead of the British sovereign, the latter becoming legal tender.

In respect to paper currency, the provisions of the Provincial Note Act of 1866 were extended to the new Dominion in 1868, and 'Dominion' notes came into being. After 1870 such notes could be issued to the amount of \$9,000,000 against a 20 p.c. specie reserve (\$2,000,000 reserve was required for the entire \$9,000,000) and notes in excess of this were to have 100 p.c. specie reserve. Dominion notes which were legal tender were in circulation side by side with bank-note issues which were not legal tender. In 1880 the basis of the present system was definitely established.

ii. **The Bank Act.** After tentative legislation in 1867, the Bank Act of 1870 provided that new banks must have a minimum paid-up capital of \$200,000; at least 20 p.c. of the subscribed capital had to be

paid up in each year after the commencement of business. A proposal to limit the liabilities of banks in relation to capital and specie and Government debenture holdings was not translated into legislation. Bank notes in circulation were not to exceed the amount of paid-up capital. The right to issue notes under \$4 was withdrawn, largely in consideration of the abolition of the tax of 1 p.c. on note circulation. If possible up to 50 p.c., but in no case less than one-third, of a bank's cash reserves were to be held in Dominion notes. Dividends were limited to 8 p.c. until or unless the bank's reserve fund was the equivalent of 20 p.c. of its paid-up capital. In case of the failure of a bank, double liability of shareholders became enforceable without waiting for the realization of the bank's general assets. Banks were required to transmit certified lists of shareholders annual, to be laid before Parliament. Any existing bank was permitted, on the authority of the shareholders, to apply for an extension of its charter, and the Governor in Council, upon the recommendation of the Minister of Justice and the Treasury Board, was empowered to extend such charter to 1881. Any suspension by a bank of payment of its liabilities for a period of 90 days would constitute insolvency, and operate as a forfeiture of its charter.

In 1871, the first comprehensive Banking Act of the Dominion was passed. A large part of the statute was devoted to the re-enactment and consolidation of legislation already in force, although the measure of 1870 contained the main features of the Government's policy. The procedure relative to extension of charters laid down in the preceding year was superseded by this Act, which became the charter of the banks until July 1, 1881, that date being set in contemplation of regular decennial revisions. No new bank was permitted to commence business with less than \$500,000 capital bona fide subscribed and \$100,000 similarly paid up, with the further proviso that at least \$200,000 must be paid up within two years after commencement of business. The sections respecting loans against warehouse receipts, etc., were thoroughly revised and difficulties of procedure removed. Banks were permitted to take security on commodities in store pending marketing, and also while undergoing conversion from the raw to the finished state. Advances were allowed upon security of shares of other banks. It was provided that the rate of interest or discount charged by a bank should not exceed 7 p.c. and that no higher rate should be recoverable. Monthly returns of assets and liabilities were required. Certain technical amendments were made to the Bank Act in 1872, 1873 and 1875. In 1879 the power to lend upon the security of shares of other banks was repealed.

At the first general revision of the Bank Act in 1880 (effective 1881), a note holder was definitely recognized as a preferred creditor, claims of the Dominion and Provincial Governments, respectively, ranking next in order of preference. Banks were prohibited from issuing notes under \$5, higher denominations to be multiples of this sum. Dominion notes were not to constitute not less than 40 p.c. of the bank's cash reserves. Monthly returns of a more detailed character were to be made. The Act was amended in 1883 to enforce more effectively the prohibitions, restrictions, and duties already imposed upon the banks. The use of certain titles by private bankers not operating under the provisions of the Act was prohibited.

At the revision of 1890 (effective 1891), it was stipulated that not less than \$250,000 capital must be paid up before a certificate per-

mitting a bank to commence business could be issued by the Treasury Board. A period of one year from the date of the charter was allowed for the payment of the capital and the carrying out of other preliminaries. Dividends were not to exceed 8 p.c. until or unless the reserve fund was the equivalent of 30 p.c. of the paid-up capital. A fund known as the "Bank Note Circulation Redemption Fund" was established, consisting of deposits made by the banks with the Minister of Finance of amounts equal to 5 p.c. of their average note circulation, such deposits to be subject to adjustment annually, and to constitute a guarantee of the payment of all notes of a suspended bank with interest at 6 p.c. from the date of suspension until the date when their redemption was undertaken by the liquidator. Failing action by the liquidator within two months, the Minister of Finance was authorized to redeem the notes out of the fund, and such outlay, if not made good out of the assets of the failed bank, was to be re-imbursed by the contributing banks pro rata to their contributions. Another major change gave the banks, in certain classes of loans, the same legal power to take security over the borrowers' goods as had previously been granted by warehouse receipts. This enactment served to make general and more clear principles already recognized by previous legislation and practice. Directors' qualifications were set out more clearly and it was now provided that a majority only of directors, instead of all, need be British subjects. Penalties for excess note circulation were made more severe.

The revision of 1900 (effective 1901) recognized the Canadian Bankers' Association as an agency in the supervision and control of certain activities of the banks. It was charged, under the Treasury Board, with the responsibility of supervising the printing and distribution of notes to the banks and their issue and destruction; also with control over clearing houses and the appointment of curators to supervise the affairs of suspended banks. The amended Act also included provisions permitting one bank to sell its assets to another. More detailed monthly returns were required and the interest on notes of failed banks was reduced from 6 p.c. to 5 p.c. In 1908, after the financial crisis of 1907, provision was made for emergency circulation during the crop-moving season from October to January, when banks were allowed to issue excess circulation up to 15 p.c. of their combined paid-up capital and rest or reserve funds, this emergency circulation to be taxed at a rate not exceeding 5 p.c. per annum. In 1912, the period was extended to the six months from September to February, inclusive.

At the fourth revision of the Bank Act in 1913 provision was made for an audit of each bank's affairs by auditors appointed by the shareholders. There was also provision for the establishment of Central Gold Reserves in which banks might deposit gold or Dominion notes for the purpose of issuing additional notes of their own there-against. Annual reports to the Minister of the fair market value of real and immovable property held by the banks for their own use were required. Banks were empowered to lend to farmers upon security of their threshed grain. As a war measure the provision for emergency circulation was extended in 1914 to cover the whole year and banks were further authorized to make payments in their own notes instead of in gold or Dominion notes.

The fifth revision of 1923 resulted in numerous important changes. The qualifications of provisional directors were re-defined, while provision was made for keeping records of attendance at directors' meetings and bringing them to the notice of shareholders. Annual and monthly statements were given further attention and more complete returns required, including statements of controlled companies in the names of which any part of a bank's operations were carried on. Other or special returns were to be made if called for by the Minister. Two auditors were now to be appointed by the shareholders instead of one, and the qualifications, duties, and responsibilities of auditors were more clearly defined. The personal liability of directors in case of distribution of profits in excess of legal limits was also more definitely expressed. Regulations regarding loans were amended and advances to any officer or clerk of a bank could not, in any circumstances, exceed \$10,000. Registration of security for loans under Sec. 88 was provided for. It became necessary for guarantee and pension funds to be invested in trustee securities. The punishment of directors and other bank officials for making false statements of a bank's position was provided for in sec. 153. In 1924, as a result of the failure of the Home Bank of Canada, provision was made for periodical examination of the chartered banks by an Inspector-General of Banks, who was to be an officer of the Department of Finance.

The sixth revision of the Bank Act was postponed from 1933 to 1934, for adaptation to the establishment of the new Bank of Canada, and most of the alterations outlined the relations of the chartered banks with the Bank of Canada; (these are given on pp. 906-907 in the resume of the legislation under which the Bank of Canada was set up.)

iii. Early Development of Central Bank Institutions

As above noted, certain features of a central banking system had become evident before the establishment of the Bank of Canada, and provided more centralized control and flexibility of cash reserves. In chronological order with their origins these are again summarized here:

1. **Central Note Issue**—permanently established with the issue of Dominion notes under legislation of 1868.

2. **The Canadian Bankers' Association**—established in 1900, and designed to effect greater co-operation among the banks in the issue of notes, in credit control, and in various aspects of bank activities.

3. **The Central Gold Reserves**—Established by the Bank Act of 1913.

4. **Re-Discount Facilities**—Although originated as a war measure by the Finance Act of 1914, were made a permanent feature of the system by the Finance Act of 1923, which empowered the Minister of Finance to issue Dominion notes to the banks on the deposit by them of approved securities. This legislation provided the banks with a means of increasing their legal tender cash reserves at will.

2. THE BANK OF CANADA

a. Subsection 1—The Bank of Canada Act and Its Amendment.

C. 43 of the Statutes of 1934, "An Act to Incorporate the Bank of Canada," provided for the establishment of a central bank in Can-

ada. The capital of the Bank was originally \$5,000,000, divided into shares of \$50 par value. These shares were offered for public subscription by the Minister of Finance on Sept. 17, 1934, and were largely over-subscribed. The maximum allotment to any one individual or corporation was 15 shares. Shares of the Bank may be held only by British subjects ordinarily resident in Canada, or by corporations controlled by British subjects ordinarily resident in Canada. The maximum holding permitted one person is 50 shares. Directors, officers or employees of the Chartered banks may not hold shares of the Bank. The Bank commenced business on March 11, 1935.

By an amendment to the Act passed at the 1936 session of Parliament, the capitalization of the Bank was increased to \$10,100,000 by the sale of \$5,100,000 Class "B" shares to the Minister of Finance. The original shareholders are now designated Class "A".*

The Bank is authorized to pay cumulative dividends of 4½ p.c. per annum from its profits after making such provision as the Board thinks proper for bad and doubtful debts, depreciation in assets, pension funds, and all such matters as are properly provided for by banks. The remainder of the profits will be paid into the Consolidated Revenue Fund of Canada and to the Rest Fund of the Bank in specified proportions until the Rest Fund is equal to the paid-up capital, when all the remaining profits will be paid into the Consolidated Revenue Fund.

The Bank may buy and sell securities of the Dominion, the provinces, the United Kingdom, and the United States of America, without restriction if of a maturity not exceeding two years, and in limited amounts if of longer maturity. It may also buy and sell securities of British Dominions and France without restriction, if maturing within six months. Short-term securities of the Dominion or provinces may be re-discounted. The Bank may buy and sell certain classes of commercial paper of limited currency, and if endorsed by a chartered bank may re-discount such commercial paper. Advances for six-month periods may be made to chartered banks. Quebec Savings Banks, the Dominion or any province against certain classes of collateral, and advances of specified duration may be made to the Dominion or any Province in amounts not exceeding a fixed proportion of such government's revenue. The Bank may buy and sell gold, silver, nickel, and bronze coin and gold and silver bullion, and may deal in foreign exchange

The Bank of Canada must maintain a reserve of gold equal to not less than 25 p.c. of its total note and deposit liabilities in Canada. The reserve, in addition to gold, may include silver bullion, balances in pounds sterling in the Bank of England, in United States dollars in the Federal Reserve Bank of New York, and in gold currencies in central banks in gold standard countries or in the Bank for International Settlements, treasury bills of the United Kingdom or the United States of America having a maturity not exceeding three months, and bills of exchange having a maturity not exceeding 90 days, payable in London, New York, or in a gold standard country,

*At the time of going to press it is announced that legislation will be brought before the House of Commons before the end of the present (1938) session for the purchase of all outstanding Class "A" stock by the Dominion Government with the object of bringing the Bank of Canada under complete government ownership.

less any liabilities of the Bank payable in the currency of the United Kingdom, the United States of America or a gold standard country.

The chartered banks are required to maintain a reserve of not less than 5 p.c. of their deposit liabilities within Canada in the form of deposits with and notes of the Bank of Canada.

The Bank acts as the fiscal agent of the Dominion of Canada and may, by agreement, act as banker or fiscal agent of any province. The Bank may not accept deposits from individuals and does not compete with the chartered banks in commercial banking fields.

The head office of the Bank is at Ottawa, and it has an agency in each province, namely, at Charlottetown, Halifax, Saint John, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

The Governor of the Bank is its chief executive officer and Chairman of the Board of Directors, and he is assisted by a Deputy Governor and an Assistant Deputy Governor. The first appointments were made by the Government. Subsequent appointments are to be made by the Board of Directors subject to the approval of the Governor in Council.

At the first meeting of the shareholders on Jan. 23, 1935, seven directors were elected for terms to run as follows: one until the third annual general meeting (1938), two until the fourth (1939), two until the fifth (1940), and two until the sixth general meeting (1941),

By the 1936 amendment the number of directors elected by the Class "A" shareholders will be eventually reduced to three who will hold office for three-year terms. The six directors appointed by the Class "B" shareholder with the approval of the Governor in Council, were announced on Sept. 11, 1936. These directors are appointed for terms to run as follows: two until the annual general meeting in 1940, two until 1941, and two until 1942. Thereafter, the Government directors, each of whom shall hold office for a term of three years, will be appointed by the Class "B" shareholder with the approval of the Governor in Council, two as of the day of the annual general meeting in 1940 and two at the day of each annual general meeting thereafter. In the transaction of the business of the Bank each director has one vote except that prior to the annual general meeting in 1940 each of the directors appointed by the Class "B" shareholder shall be entitled to two votes.

There is also an Executive Committee of the Board of Directors consisting of the Governor, Deputy Governor, and one member of the Board, which must meet once a week. This committee has the same powers as the Board but every decision is submitted to the Board of Directors at its next meeting. The Board must meet at least four times a year. The Deputy Minister of Finance is an ex officio member of the Board of Directors and of the Executive Committee, but is without a vote.

The Governor, or in his absence the Deputy Governor, only has the power to veto any action or decision of the Board of Directors or of the Executive Committee, subject to confirmation or disallowance by the Governor-in-Council.

3.—CURRENCY

a.—Subsection 1—Canadian Coinage

The present standard of Canada is gold of 900 millesimal fineness (23.22 grains equal to one dollar). As pointed out . . . gold coin has been authorized but only very limited issues were ever made. The British sovereign and half-sovereign and United States eagle, half eagle, and double eagle are legal tender. Subsidiary coin consists of 50, 25 and 10 cent silver pieces,* 800 fine (reduced from 925 in 1920). Such subsidiary silver coin is legal tender up to the amount of ten dollars. The 5-cent piece (now made of nickel) is legal tender up to five dollars and the 1-cent bronze coin up to twenty-five cents. There is no provision for the redemption of subsidiary coin.

The Royal Canadian Mint

The Ottawa Mint, established as a branch of the Royal Mint under the (Imperial) Coinage Act, 1870, and opened on Jan. 2, 1908, was by 21-22 Geo. V., C. 48, constituted a branch of the Department of Finance, and by the Proclamation of Nov. 14, 1931, issued under Sec. 3 of that Act, it has since Dec. 1, 1931, operated as the Royal Canadian Mint. At first the British North American provinces, and later the Dominion of Canada, obtained their coins from the Royal Mint in London or from The Mint, Birmingham, Ltd., and in its earlier years the operations of the Mint in Canada were confined to the production of gold, silver, and bronze coins for domestic circulation, of British sovereigns, and of small coins struck under contract for Newfoundland and Jamaica. Previous to 1914 small quantities of gold bullion were refined, but during the war the Mint came to the assistance of the British Government by establishing a refinery in which nearly twenty million ounces of South African gold were treated on account of the Bank of England, and the subsequent great development of the gold-mining industry in Canada has resulted in gold-refining becoming one of the principal activities of the Mint. Gold coins have not been struck since 1919, most of the fine gold produced from the rough shipments from the mines being delivered to the Department of Finance or, since Mar. 11, 1935, to the Bank of Canada in the form of bars of approximately 400 fine ozs. each, the rest being sold in a convenient form to manufacturers. The fine silver extracted from the rough gold, when not required for coinage, is sold in New York or disposed of to local manufacturing firms.

b.—Subsection 2.—Dominion and Bank of Canada Notes

Dominion Notes

Prior to the taking over of the note issue by the Bank of Canada when it opened on Mar. 11, 1935, Dominion notes were issued under any one of three statutory authorities: (1) the Dominion Notes Act (Statutes of 1934, c. 34), which required a gold reserve of 25 p.c. to be held against the first \$120,000,000 of notes issued and full gold coverage against any issue in excess of \$120,000,000; (2) the Finance Act (R.S.C. 1927, c. 70), Part II of which authorized the Minister of Finance to advance to any chartered bank or to the savings banks

*The Currency Act of 1910 made provision for a silver dollar and a 5-cent silver coin. The former was not coined until 1935, when a limited issue was made as a jubilee coin. The 5-cent silver coin was coined freely until 1921. It still has limited legal tender but has been replaced in the coinage by the 5-cent nickel piece.

of Quebec, Dominion notes to any amount on the pledge of approved securities deposited with the Minister. These advances bore interest and no gold coverage was required to be held on Dominion notes so advanced; (3) C. 4 of the Statutes of 1915, authorizing the Government to issue Dominion notes to the amount of \$26,000,000 without gold coverage, but partly covered by the deposit of \$16,000,000 of railway securities guaranteed by the Dominion Government.

The Dominion note issue was therefore partly gold-backed and partly fiduciary. Dominion notes were legal tender and, in normal times when Canada was on the gold standard, they were redeemable in gold.

Dominion notes were of two types, those for the purpose of general circulation, and 'special' notes. The latter were used only by the banks for inter-bank transactions and clearings, or for cash reserves or deposit in the Central Gold Reserves. They were mainly of \$5,000 and \$50,000 denominations. Dominion notes for the purpose of general circulation were of the denominations of 25 cents, \$1, \$2, \$4, \$5, \$50, \$500 and \$1,000, although for a considerable time no \$4 or \$50 notes had been issued. Since the minimum denomination for chartered bank notes was set at \$5, the Dominion notes of lower denominations naturally were largely in circulation among the general public, but there was nothing to prevent any of these Dominion notes from being included in the reserves of the banks, and it was provided that at least 40 p.c. of the banks' reserves were to consist of Dominion notes.

Bank of Canada Notes

The Bank of Canada, when it commenced operations, assumed the liability for Dominion notes outstanding which were replaced in public circulation, and partly replaced as cash reserves, by its own legal-tender notes in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100 and \$1,000. Deposits of chartered banks at the Bank of Canada completed the replacement of Dominion notes as cash reserves.

The chartered banks are required under the Bank Act of 1934 to reduce the issue of their own bank notes gradually during the ten years 1935-45 to an amount not in excess of 25 p.c. of their paid-up capital on Mar. 11, 1935. Bank of Canada notes are thus replacing chartered bank notes as the issue of the latter is reduced.

In the denominations from \$5 to \$1,000, where Bank of Canada notes have partially replaced chartered bank notes or Dominion notes, there has been a large increase. On the other hand, the special Dominion notes in denominations from \$1,000 to \$50,000 which were used almost exclusively for inter-bank transactions or bank reserves, are no longer in use.

c.—Subsection 3—Chartered Bank Notes

By reference to the historical outline at the beginning of this chapter, the developments may be traced by which bank notes became the chief circulating medium in Canada in the period preceding the establishment of the Bank of Canada. The main steps of this development which remained as permanent features of the system are assembled and emphasized here. By the Bank Act of 1870 (later consolidated with the General Bank Act of 1871), the note issue of a bank was not to exceed its paid-up capital, no bank notes were to be issued under \$4 in value (later changed to \$5 and multiples there-

of), and, while the banks were allowed to use their own discretion regarding the amount of their cash reserves, it was stipulated that at least one-third (later increased to 40 p.c.) of such cash reserves as they chose to carry should consist of Dominion notes. In the revision of 1880, a note-holder was definitely recognized as a preferred creditor. The Bank Act of 1890 provided for the Bank Note Circulation Redemption Fund, made up by each bank depositing with the Minister of Finance an amount equal to 5 p.c. of its note circulation. As a result of the operation of this fund and of making notes a prior lien against the assets of failed banks, no bank-note holder in Canada has suffered a loss since 1881. In 1908, after the financial crisis of 1907, provision was made for the banks to issue, during the crop-moving season, October to January, inclusive (later extended to September to February, inclusive), an excess circulation up to 15 p.c. of their combined capital and 'rest' or reserve funds, such excess to be taxed at a rate not exceeding 5 p.c. per annum. The revision of the Bank Act in 1913 provided for the establishment of Central Gold Reserves in which banks might deposit gold or Dominion notes and issue additional notes of their own there-against. The Finance Act (c. 3) of 1914, gave the Minister of Finance authority to issue Dominion notes to the Banks against approved securities deposited with him. Originally passed as a war measure, this was made a permanent feature of the system by the Finance Act (c. 48) of 1923, and provided the banks with the means of further expanding their note issue by the deposit of the Dominion notes, so obtained, in the Central Gold Reserves.

Bank notes, although forming the chief circulating medium in the hands of the public, were a fiduciary issue; they were not legal tender but were convertible into Dominion notes which were legal tender.

The provisions regarding bank notes were materially changed with the establishment of the Bank of Canada under the Bank Act (c. 24) of 1934. The authority both for seasonal expansion and for additional issue secured by deposit in the Central Gold Reserves was then terminated. Provision was made for a gradual reduction in bank-note circulation over a period of years as explained on p. 912. As a result of these changes, current data on bank-note circulation are not comparable with those of earlier years. However, statistics of total notes in the hands of the general public are comparable. This public circulation includes chartered bank notes together with Dominion notes and Bank of Canada notes, exclusive of those held by the banks as reserves. Statistics on this basis are shown in the following Table.

Note Circulation in the Hands of the Public, 1926-37

Averages of Month-End Figures

Year	Chartered Bank†	Dominion or Bank of Canada*	Total
	\$	\$	\$
1926.....	168,885,995	26,314,706	195,200,701
1927.....	172,100,763	27,793,500	199,894,263
1928.....	176,716,979	28,803,340	205,520,319
1929.....	178,291,030	30,003,870	208,294,900
1930.....	159,341,085	28,812,059	188,153,144
1931.....	141,969,350	28,572,011	170,541,361
1932.....	132,165,942	28,483,686	160,649,628
1933.....	130,362,488	29,066,051	159,428,539
1934.....	135,537,793	30,547,720	166,085,513
1935.....	125,644,102	47,288,651	172,932,753
1936.....	119,507,306	66,934,958	186,442,264
1937.....	110,259,134	94,876,384	205,135,518

†Gross note circulation of chartered banks. *Total issue less notes held by chartered banks and notes deposited in the Central Gold Reserves up to March, 1935.

SECTION 4—MONETARY RESERVES

Before the Establishment of the Bank of Canada—Up to March, 1935, legal tender cash reserves in Canada were made up partly of Dominion notes and partly of gold coin and bullion, and subsidiary coin, including these forms of cash held by the banks themselves and as deposits in the Central Gold Reserves. In so far as these reserves were in actual gold or were in Dominion notes backed by gold, they were subject to the expanding or contracting influences of monetary gold imports or exports arising from Canada's balance of international payments, so long as Canada was on the gold standard.

Since the Establishment of the Bank of Canada—When the Bank of Canada was established, the chartered banks turned over their reserves of gold in Canada and Dominion notes to the new bank in exchange for deposits with and notes of the Bank of Canada. It was provided that henceforth the chartered banks were to carry reserves in these forms amounting to at least 5 p.c. of their deposit liabilities in Canada. Since that time, therefore, the gold reserves against currency and bank credit have been in the custody of the central bank.

(End of "Canada Year Book" (1938) quotation.)

5.—THE WAR PERIOD 1914-18

In order to relate our analysis of the monetary system in universal use and the growth of the banking system in Canada, to the economic conditions which prevailed prior to the present war, it is necessary to review the events from the outbreak of the last war.

The impact of the war in 1914-18 on Canada's financial structure and the measures adopted to meet the conditions created by the economic upheaval attributable to that conflict, are described by Sir Thomas White, Canadian Minister of Finance for the entire period, in "**The Story of Canada's War Finance.**" This authorita-

tive record provides a background against which subsequent development can be examined dispassionately in the light of factual data.

Sir Thomas White points out that, as in England the established monetary system in Canada was in danger of breaking down on the eve of war. Panic conditions were created by large withdrawals of gold from the banks, and the Federal Government was obliged to step in to over-ride the existing law, without reference to Parliament, for the purpose of meeting the emergency. The redemption of currency bills in gold was suspended; the banks were authorized to meet their deposit liabilities in their own notes, though these were not legal tender; and the Federal Government undertook to lend the banks Dominion notes against securities deposited with the Department of Finance.

The striking features about Sir Thomas White's review of Canada's war finance during 1914-19—the period covered in the book—are, first, the apparent lack of understanding on the part of those responsible, of elementary facts regarding the operation of the monetary system, and, second, the manner in which subsequent events disproved the tenets which had governed financial policy. The relation of these considerations to the present situation is, naturally, of great importance, for if those responsible for our financial system have been seriously wrong in the past, their knowledge and judgment cannot be accepted as infallible in existing circumstances.

The extracts from Sir Thomas White's book which are given below, taken in conjunction with the quotations or comments which follow each of these, will indicate the extent to which the whole subject of finance was shrouded in illusion, fallacy and misunderstanding during one of the most critical periods in Canada's history.

* * *

(1) "It was obvious that a banking institution, however strong, could not be expected to be in a position to pay all its liabilities upon demand. Deposits received from the public were loaned, in the ordinary course of business, to the commercial community . . ."

Sir Thomas White—p. 7 **"The Story of Canada's War Finance."**

Per Contra: "The banks cannot, of course, loan the money of their depositors. What the banks have done is to make loans and investments which result in a certain sum total of deposits."

—Graham F. Towers (Governor of the Bank of Canada), evidence given before the House of Commons Committee on Banking and Commerce, 1939.

"When a bank lends it creates the means of payment out of nothing."

—R. G. Hawtrey, Ass't. Secretary to H.M. Treasury of Great Britain.

Comment on the foregoing would be superfluous.

* * *

(2) "When war broke out, Canada was experiencing a business reaction which had been in evidence for some months . . ."

"With public revenue declining and the London financial market closed, the question of how to raise money for our capital expenditures, **and above all for our military effort, was a most anxious one . . .**"

"It is to be borne in mind that in those days the sum of fifty millions dollars was regarded as a very large amount even in terms of national finance . . ."

—pp. 10-11-12 **"The Story of Canada's War Finance."**
(Black Face for emphasis inserted.)

*

In contrast, consider the following:

Q.: . . . so far as war is concerned, to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be?

Mr. Towers: The limit of the possibilities depend on men and materials.

Q.: . . . and where you have an abundance of men and materials you have no difficulty, under our present banking system, in putting forth the medium of exchange that is necessary to put the men and materials to work in defence of the realm?

Mr. Towers: That is right.

—Graham F. Towers (Governor of the Bank of Canada), evidence given before the House of Commons Committee on Banking and Commerce, 1939.

* * *

"The first Canadian domestic war loan was floated in November, 1915. For many months it had been under consideration and was regarded as a somewhat doubtful experiment. No loan of even five million dollars had ever before been subscribed in Canada, and a war issue of less than twenty-five millions would have been hardly worth while . . ."

p. 22, **"The Story of Canada's War Finance."**

"The opinion among the leading financial men of Canada was that we might hope to obtain twenty-five million dollars. As we decided to make the issue fifty million, it seemed certain that a very large portion would remain unsubscribed by the general public.

To meet the situation **the Canadian banks very generously offered to subscribe twenty-five million dollars** upon the understanding that all subscriptions from the public in excess of twenty-five millions dollars should be taken in abatement of their subscription. **That is to say, they agreed without remuneration to underwrite the issue to the extent of twenty-five millions to ensure its success. Banks do not desire to lock up their resources in securities, and it is not in the national interest that they should do so."**

—(p. 24-25, **"The Story of Canada's War Finance."**)
(Black Face for emphasis inserted.)

It is clear from the foregoing that Sir Thomas apparently did not know that the banks created the money—financial credit—which they lent. Neither did he appear to grasp the fact that, with the war time powers given them by the Government, the banks could create the money to buy one million dollars of bonds, deposit

these with the Department of Finance and obtain Dominion notes on the basis of which they could proceed to create the money with which to buy bonds for ten million dollars—a procedure which had great possibilities for the banks.

* * *

Notwithstanding the foregoing statement by Sir Thomas White:

Between 1915 and 1916 the average of bank deposits increased by over \$200,000,000.

The average of bank loans to customers increased in the same period by some \$70,000,000, but the value of securities held by the banks increased by over \$103,000,000—both these items of course, increasing deposits by a corresponding amount.

Between 1916 and 1917, the average of public deposits increased by \$220,000,000, the corresponding increase between 1917 and 1918 being \$225,000,000.

The average of bank loans to customers increased during the same periods by \$83,000,000 and \$120,000,000 respectively, but the corresponding increase in securities held by the banks increased by \$122,000,000 and \$136,000,000 in each of these years.

Bearing in mind that the extent of the national war effort was governed by the financial facilities available, and that apparently Sir Thomas White was not aware of the whole procedure of monetary creation by the banks, the foregoing facts indicate very definitely that the banks acquired large holdings of securities by the simple process of creating the money for their purchase—money upon which the extent of Canada's war effort depended.

This is brought out by the following quotation:

" . . . loans from the Chartered Banks to the Government are inflationary . . . The Government prints a Bond—
. . . The banks buy this security and credit the purchaser price to the government in the form of a deposit on their books. This deposit, which is an addition to the liabilities of the banks, puts brand new purchasing power in the hands of the Government . . ."

—"The Q and A Book," issued by the National War Finance Committee in October, 1943.

(Black Face for emphasis inserted.)

* * *

The following provides interesting evidence of the pressure which was brought to bear on the government of the day by internal financial interests:

"The first Canadian war loan was of the maturity of ten years. It bore interest at five per cent and was sold at 97½. This gave a yield rate of between five and five and one quarter per cent. As this was a low rate in comparison with what could be obtained upon other high grade securities, it was issued free of taxation. This had been insisted upon by the New York interests which floated our earlier loan there and was regarded as a specially attractive feature by Canadian financial experts."

—"The Story of Canada's War Finance" p. 26.

(Comment is unnecessary, except to remark that at the time Canada was engaged in a struggle for existence—and Canadian lives were being sacrificed on the battlefields of France.)

* * *

"The loan was well received by the Canadian public (sic). **The best endeavours of the press and of the banks at all their branches throughout Canada were especially enlisted.** The bond dealers and stock brokers co-operated most effectually with their selling organizations. All other available agencies, **including the churches,** lent their aid. When the last returns came in it was found that, instead of fifty millions asked for, more than one hundred millions had been subscribed by the Canadian people (sic). **This notable and striking success created a sensation both at home and abroad. That Canada, which had always been a borrowing country, and had no developed investment market of its own, should raise a hundred million dollars by popular subscription from its own people (sic) was hardly credible in London and New York.**"

(Black Face for emphasis and comment inserted.)

No doubt this reflected the accepted views and the policy of the Federal Government at that time. In the light of subsequent developments it appears tragically pathetic; yet it persisted throughout that period of war. On pages 58 and 59 of the same publication we read:

"The three Victory Loans were the greatest financial achievement of Canada during the war. They were floated in 1917, 1918 and 1919 respectively and raised an aggregate of more than seventeen hundred million dollars. **That this astounding sum, which was almost twice the amount of all the deposits in all the chartered banks before the war, should have been made available for the purpose of the Government from the savings of the people of Canada was probably as surprising to us as to the outside world."**

—"The Story of Canada's War Finance," pp. 26-27.

(Black Face for emphasis inserted.)

The increase in bank deposits between 1914 and 1920 amounted to over one **billion** dollars, the corresponding increase in the value of securities held by the banks increased by some \$443,000,000 and loans to customers increased about \$500,000,000 representing "bank created money." This does not appear to indicate that Canada's war finance was anything in the nature of the miracle implied by Sir Thomas White.

* * *

6.—THE YEARS AFTER THE WAR

Canada was experiencing an economic depression at the outbreak of war in 1914. However, under the stimulus of war, production was expanded rapidly and the country emerged from the war with an expanding economy under boom conditions.

This may seem curious when, in fact, the nation's resources in manpower, materials and productive effort had been drained by four years of waste for war purposes. Yet reference back to our analysis of the monetary system will show that this is just what could be expected to happen. To recapitulate:

Under so-called "normal" peace time conditions the chronic shortage of purchasing power generated by the present system would naturally lead to the restriction of the consumer market. Goods would be unsaleable and would tend to accumulate. As this would render it impossible for primary producers, manufacturers and merchants to recover their operating costs, they would find it impossible to repay their borrowings from the banks. This would force the banks to restrict credit, while, for their part, producers would be forced to curtail production. The impact of these factors on the economy would, in turn, lead to unemployment and the drastic "cutting" of costs in order to reduce prices, thereby forcing down wages and leading to labour unrest—which would aggravate the situation further. In short, acute economic depression is inescapable under such conditions, unless steps were taken to off-set the chronic shortage of purchasing power.

However, in wartime an entirely different set of circumstances operate. Slowly at first, and then with ever growing tempo, production is expanded to provide the munitions and supplies for the prosecution of the conflict. This involves diverting an increasing proportion of economic effort to the production of goods for war in comparison to the production of goods for the consumer market. Though only the latter come on the consumer market, incomes are distributed in the production of both types of goods. Besides which incomes—i.e. purchasing power—have to be distributed to the manpower diverted from industry to the fighting forces, and to the dependants of these men.

If the operation of the monetary system resulted in the distribution of purchasing power equivalent to the total price value of the goods produced—i.e., both goods for the consumer market and goods for the prosecution of the war—then the cost of the latter **could** be met out of current taxation. This would result in purchasing power equivalent to the cost of the goods consumed in war being withdrawn and purchasing power equivalent to the price value of consumer goods remaining in the hands of the public. As the **real** cost of the war has to be met out of current production in terms of the good and services used in the prosecution of the war, the liquidation of the financial cost would then reflect this fact.

However, all governments find it impossible to meet the financial cost of war out of current taxation because the system does not provide for the distribution of adequate purchasing power. Any attempt to finance the war on such a basis would lead to the collapse of the financial structure. Therefore the balance of the money has to be provided by borrowing, and, as figures in the preceding section reveal very plainly, a substantial portion of such borrowing must be secured from bank loans. This represents a clear addition to the volume of money. And to that extent the incomes distributed in respect of the production of goods for war purposes, will be available for the purchase of goods on the consumer market—thereby reducing or making good the shortage of purchasing power generated by the system.

Thus, we find that in war time the shortage of purchasing power tends to give way to a surplus of purchasing power and a shortage of goods. Trade booms and industrial expansion proceed un-

checked except by the prior claims of war on the nation's productive capacity.

There are other factors which must be considered in conjunction with these developments. With mounting taxation, a ready market demand for production and increasing competition for labour, prices and wages will begin to rise, and will continue to do so with increasing momentum—a rise in one automatically tending to force a rise in the other.

For example from 1913 to 1918 inclusive, the retail price index (including rents and the cost of services) rose from 100 to 149.

* * *

Following the cessation of hostilities, the monetary system would revert to its normal peace time operation, and the effect of the chronic shortage of purchasing power could be expected to again manifest itself with disastrous consequences on the economy. This would be particularly the case if no consideration was given to the high production costs carried forward from the war years.

The only condition under which the economy could be adjusted to the requirements of peace-time production following a period of inflation for war purposes, would be to continue the inflationary policy and to encourage capital development.

The following statistical data for the years 1919, 1920 and 1921 indicate that this policy was pursued for the two former years:

	1919	1920	1921
Banks deposits (000 omitted)	\$2,495,582	\$2,784,068	\$2,556,454
Banks loans	1,552,971	1,935,449	1,781,184
Banks holding of securities	470,891	331,172	323,230
Wholesale price index	234.4	287.6	178.2
(1913=100) Retail price index	164.0	190.0	167.1

It will be evident from the foregoing that by 1920, less than two years after the end of the war the full effect of the faulty monetary system began to make itself felt, leading to a curtailment of credit during the ensuing twelve months. The disastrous effect of this on the economy is reflected in the slump in the wholesale price level between 1920 and 1921.

It may be argued that this was due to the effect of economic conditions in European countries on Canada's export trade. The short answer to such a contention is that it is not inherent in the universe for the price levels in one country in terms of that nation's currency to dislocate the price level in another country. That it should do so merely reveals the weakness of the monetary system. Neither does such an argument explain away why the conditions which developed faithfully reflects what could be expected from our earlier analysis of the monetary system and its faulty nature.

From 1920 net national production decreased sharply from \$3,682,000,000 to \$2,729,000,000 in 1921. The drop in agriculture was from \$1,519,000,000 to \$1,092,000,000; in forestry from \$408,000 to \$258,000; in mining from \$213,000,000 to \$163,000,000; and in manufactures from \$1,588,000,000 to \$1,152,000,000.

As would be expected unemployment increased from 2.6 per cent to 13.1 in the same period.

From 1922 to 1929 inclusive the trend of economic conditions is reflected by the following statistical data:

	Bank Deposits (000 omitted)	Bank Loans (000 omitted)	Securities Held by Banks
	\$	\$	\$ (1913=100)
1922	2,120,997	1,643,643	288,957 (Public)
1924	2,130,621	1,546,792	502,561
1926	2,277,192	1,682,379	532,817
1928	2,610,594	2,072,403	522,628
1929	2,696,747	2,279,247	499,015

(Continued)

	Wholesale Price Index (000 omitted)	Net Pro- duction	Wages (Manufac.)
(1913=100)			
1922	152.0	2,939,313	374,212
1924	155.2	3,018,182	420,269
1926	156.2	3,613,455	501,144
1928	150.6	4,122,000	580,428
1929	149.3	3,946,609	624,302

It will be observed that throughout this period the banks maintained a steady expansion of credit by loans or purchase of securities. This placed an increasing money supply in the hands of the public partly through expanding loans to industry and partly through the deliberate policy of buying securities upon which the banks embarked. Under the stimulus of such a policy, supported by an expanding export trade, the economy was maintained for a period of eight years without any violent upheaval. Nevertheless the operation of the faulty features of the system was bound to have a cumulative effect, and contributed to a partial economic collapse in 1930.

The following quotations from the address to the Shareholders of The Royal Bank of Canada delivered by Sir Herbert Holt on January 9, 1930, is indicative of the complete ignorance of those operating the banking system regarding both the effect of that system on economic conditions, and the dangerous plight of the national economy:

"In spite of the losses incurred by thousands of investors throughout both countries," (Canada and the U.S.A.) "the strength of the business structure is such that there is no reason to look forward to more than a moderate recession of business during 1930."

"Neither the prospects in foreign trade nor the situation in Canadian industry, trade and agriculture warrant pessimism concerning the outlook during the coming year . . ."

"... This improvement in world buying power implies that, so far as foreign markets are concerned, the coming year is likely to witness continued growth in demand for Canadian products..."

"In most lines, business has been conducted with prudence. The conditions which precede depressions are not present."

Similar optimistic forecasts were voiced by leading bankers in Great Britain.

It is now a matter of history that, notwithstanding Sir Herbert Holt's views, a partial collapse of the economic structures of most countries, precipitated crisis conditions during 1930, and Canada in common with other countries, entered upon a period of acute and disastrous depression.

The average of bank deposits dropped from \$2,696,747,857 in 1929 to \$2,516,611,587 in 1930—or a decrease of \$180 million in the space of one year.

The cause of this is to be found in the decrease of bank loans from \$2,279,247,504 in 1929 to \$2,064,597,746 in 1930, with little decrease in their holding of securities.

Exports decreased by some \$200 million, and the wholesale price index slumped from 149.3 to 135.3 or 14 points. Wages dropped sharply and unemployment began to climb steeply. Agriculture faced collapse with the price of wheat falling from an average of \$1.05 a bushel in 1929 to 49c in 1930.

By 1931 the effect of the depression became more acute. The basic industry of agriculture was in a terrible plight. Widespread poverty and unemployment were rife throughout the country. Trade stagnated. Debt increased. Net national production declined from \$4,122 million in 1928 to \$2,500 million in 1931. Provincial finances generally were in a condition bordering on bankruptcy.

The persistence of the depression until 1936 and the gradual improvement in conditions in response to an expansion in monetary facilities is clearly shown by the following statistics taken from official records.

	Bank Deposits	Bank Loans	Securities Held by Banks
	(000 omitted)	(1913=100)	
1929	\$2,696,747	\$2,279,247	\$ 499,015
1931	2,422,834	1,764,088	674,357
1932	2,255,639	1,582,617	695,758
1934	2,274,607	1,373,683	866,725
1936	2,614,895	1,140,557	1,330,808
1938	2,823,686	1,200,692	1,439,666

(Continued)

	Wholesale Price Index (000 omitted)	Net Pro- duction 1913=100)	Wages (Manufac.)
1929	149.3	\$3,946,609	\$624,302
1931	112.6	2,572,273	415,279
1932	104.2	2,104,908	322,245
1934	111.8	2,233,697	355,090
1936	116.5	2,628,419	438,873
1938	122.8	2,974,673	498,282

Note: The comparative figures of the net price value of production as compared with the wages paid out by manufacturing industries is, to say the least, illuminating in the light of our analysis.

7.—THE SECOND WORLD WAR

The foregoing summarized review of the years between the two world wars indicate very clearly the earlier contentions that the national economy is controlled by monetary policy, that the action of the Bank of Canada and the chartered banks in expanding or contracting money supply determines the volume and nature of production and that the monetary system is inherently faulty, always distributing a chronic shortage of purchasing power in relation to prices, with all the evil effects on the economy which automatically result from such a condition.

These facts have been brought out even more forcibly since the outbreak of war.

The achievements of Canadian industry and agriculture in the production of munitions and supplies for war purposes indicate the extent to which the national economy could have been expanded during peace time to provide the people with goods and services.

In the space of four years the national production has been doubled, and it must be borne in mind that a very substantial portion of these goods are of highly specialized types, the production of which called for technical skill of a calibre requiring knowledge and training that were lacking at the beginning of the war. In addition extensive capital production was rendered necessary before much of the war time production could be undertaken.

Moreover, this phenomenal increase in production was achieved in spite of some three quarters of a million of the cream of the nation's manpower being diverted from the productive sphere to the fighting forces.

This should indicate very plainly that before the war Canadian industry possessed the flexibility and the means for providing the people of the country with a volume and variety of goods and services which, if equitably distributed, would have ensured a very high standard of living for all, under conditions that would have conferred upon the individual complete economic security. To deny this would be tantamount to maintaining that it is a simpler matter to produce warships, warplanes, tanks, lorries, shells, explosives and the hundreds of intricate devices required for modern warfare, than it would be to produce homes, clothing, food, hospitals, schools, automobiles, roads and the amenities of present-day society.

When we consider that the volume of production which is being poured forth for destructive purposes now represent something like \$1500 a year for every Canadian family—production which is in a very real sense "a gift" to the enemies of the country—it is surely beyond dispute that under peace time conditions this tremendous productive effort can be channeled to provide goods and services for the people of Canada.

While the war has provided indisputable evidence that the physical means exists to give Canadian people full economic security, it is only too evident that the present monetary mechanism will not provide the means for making this financially possible. Since it proved incapable of doing so before the war there is no ground for believing that it will serve the national need after the war.

It is being suggested from certain quarters that because the present scale of production can be financed under the present monetary system for war purposes, that system can be made to serve the requirements of peace-time. This contention ignores the basic facts regarding the operation of the monetary system.

It has been shown in our synopsis of the manner in which the established monetary system operates that it generates a chronic shortage of purchasing power. That defect, combined with the policy of credit restriction by the banking institutions, precipitated the economic collapse of 1930/31, as we have endeavoured to show. In order to deal with the situation various countries, and notably the U.S.A., embarked upon a policy of credit (monetary) expansion, but it was found that this alone was not effective. This, of course, is what could be expected in the light of our analysis—for, under the established monetary system, money is issued almost entirely to finance new production only, therefore any expansion of credit facilities to industry would give an impetus to production, but the rate at which prices would be generated would always exceed the rate at which purchasing power was made available to buy the goods on the market at those prices. Therefore it was found necessary to pay farmers not to produce, to subsidize the destruction of cotton, oranges and other commodities and in such ways to restrict and destroy products and, at the same time, to get purchasing power into the hands of the people to buy the balance of the goods on the market. The money for this purpose, being issued in accordance with the rules of established financial practice, was provided by borrowings from the financial institutions, and in the case of the U.S.A. in particular reached enormous proportions.

Actually this debt was merely an expedient for pushing the problem created by the faulty monetary system into the future. It did nothing to solve it. All debt claims—both in respect of principal and interest—constitute a demand on purchasing power as they fall due for liquidation. Thus the procedure of meeting a current shortage of purchasing power by piling upon accumulating debt liability against future purchasing power must inevitably create a situation in which, eventually, the nation will be faced with the alternatives of a collapse of the financial system or the cancellation of the debt or an adjustment of the system to provide the people with adequate purchasing power to meet its liabilities.

Under war conditions there is no need to introduce the expedients employed in peace time to overcome the defects of the monetary system; these operate automatically in a war economy. A substantial portion of the productive manpower is transferred to the fighting services; this offsets the unemployment, the various relief work schemes and the payments of incomes to persons not to produce. Then again an increasing portion of the national production is diverted for war purposes to be destroyed (consumed) without coming on to the market for purchase by consumers; this parallels the goods exported in excess of imports and the destruction of products in peace time. In both instances the economy is kept functioning by the distribution of incomes in respect of which no goods come on the market for purchase by consumers; these incomes serve to supplement the deficiency of consumer purchasing power distributed in the production of goods which do come on the market. In both instances this is rendered possible only by a rapidly pyramiding debt which will aggravate the situation in the future.

It may be suggested that the public buys the goods used for war purposes out of taxation and borrowing. This suggestion is misleading. The financial cost of the goods obtained by the government with borrowed money is carried forward as an undischarged liability.

As already pointed out, all governments find it impossible to meet the financial cost of war out of current taxation because eventually the public receives purchasing power equivalent to only a part of the total price value of production of war goods and consumer goods. The difference has to be obtained by borrowing, and much of this is provided by money lent to the government (either directly, or indirectly through customers' borrowings) by the banks. Such money is, of course, a clear addition to the country's money supply—the banks obtaining an interest bearing asset in return for the practically costless procedure of creating the monetary credit with which the purchase is made.

The extent to which this is being done is very clearly shown by the following statistical data taken from official sources:

Canadian Chartered Banks

Average Month-end Figures	(— Millions of Dollars —)			
	Canadian Deposits	Canadian Loans	Government Securities	Other Securities
1939	2,630	1,043	1,234	306
1940	2,753	1,135	1,311	268
1941	3,017	1,220	1,483	243
1942	3,319	1,184	1,807	267
1943 (Aug.)	3,940	1,156	2,370	311

Source—Bank of Canada Statistical Summaries.

Dominion of Canada Direct Debt

March 31	Millions of Dollars
1939	3,638
1940	3,959
1941	5,011
1942	5,865
Dec. 31 1942	7,450

Source—March 31st figures from Canada Year Books and Auditor General's report. Dec. 31st, 1942 figures from Bank of Canada Statistical Summary.

It will be apparent from the foregoing that while rapidly pyramiding public debt and the expansion of monetary credits by the banks, combined with the production of goods for destruction, overcomes the faulty features of the monetary system temporarily, if continued for any length of time they are bound to create insurmountable problems even under war conditions. However, such a procedure could not begin to meet the requirements of a peace-time economy.

8.—POST-WAR RECONSTRUCTION FINANCE

With the cessation of hostilities, the financial system will have to fulfill, not merely its normal peace time requirements of providing the monetary facilities for the production and equitable distribution of goods and services, but it will be called upon to meet the financial requirements of a transition of industries from war to peace time production and, in addition, to cope with the problems being created by the perpetuation under the stress of war conditions of a system which has been shown in the preceding pages to be fundamentally faulty. With a national debt of perhaps more than ten billion dollars, a monetary liability of nearly \$1,000 against every Canadian man, woman and child (representing the cost of a war which, in physical terms, would have been paid in full in "blood, toil, tears and sweat") and an intolerable tax structure to support this fantastic debt, the problem would be formidable if the monetary system was basically sound. However, when it is faulty to a degree that almost wrecked civilization before the war, an attempt to enter the post-war period with out present monetary system is bound to result in large-scale disaster.

In order to assess the nature and scope of the measures which will be required to meet the needs of post-war finance, we submit the following recapitulation of the essential factors which must be borne in mind:

Post-War Finance

1. The monetary system is the essential mechanism for organizing the national economy.
2. If the social structure is to be organized as an effective and properly functioning democracy, its economic operation should yield the nation an economic democracy; that is to say it should provide the people with the personal security, in terms of the goods and services they want and can produce, and with the personal freedom they desire. As the mechanism for organizing the national economy, the monetary system should operate to this end.
3. As the control of the issue of money can determine the volume and nature of production, and as control of the monetary system is a sovereign power, it should be under the effective control of Parliament and should operate in response to the wishes of the people.
4. The monetary system being the economic voting mechanism by means of which the individual can make demands on the results of the national economic effort—thereby enabling production to be

controlled by the people—and as it is likewise the means by which the individual can be assured economic security and freedom of action in the economic sphere:

a.—The total purchasing power in the hands of the public should at all times be equal to the collective prices of the goods for sale on the market computed on an economic basis.

b.—The public should, in addition, be provided with monetary reserves for the purpose of savings, trade requirements and investment.

c.—Purchasing power should be distributed in such a manner that it gives the individual citizen adequate security with the maximum freedom of action—and ensures an equitable distribution of the national production.

5. The existing faulty features of the system must be rectified to conform to the foregoing.

9.—INTERIM RECOMMENDATIONS

Arising directly from the foregoing we submit the following recommendations as a basis for the more elaborate measures which will be required to give effect to the specific submissions of the sub-committees dealing with other aspects of Post-War Reconstruction:

1. A competent national monetary authority, operating in conjunction with the Bank of Canada, and responsible to the people through Parliament, should exercise full and effective control over the operation of the monetary system, including the issue and withdrawal of all currency and credit.

2. The national monetary authority should be required to maintain a proper accounting of the national economy and to ensure that:

a.—Adequate monetary facilities are available to finance all required production, having due regard to a balance being maintained as between capital goods and consumer goods production.

b.—At all times the people possess purchasing power equivalent to the total prices of goods for sale on the market.

c.—Proper safeguards are in operation to preclude either inflationary or deflationary instability of prices or of other essential economic factors.

3. All money required for Federal Government services should be issued, on the instructions of Parliament, without increasing the national debt, and federal taxation should be used primarily for the purpose of withdrawing surplus purchasing power, if any, to prevent inflation.

4. Adequate funds should be made available, to provincial governments in a similar manner and as drafts on the national credit, by means of equitable block grants to provide the highest standard of social services commensurate with the productive resources of the nation.

In the foregoing interim recommendations we have confined ourselves to the broad principles involved in a reconstruction of our financial structure. We have refrained from going beyond this, as recommendations of specific measures will necessarily be governed by the nature and scope of the proposals for social security, education, health, agricultural and industrial development, and other aspects of reconstruction referred by the Committee to this sub-committee.

Part IV

THE PROBLEM

Being the final report—to be read in conjunction with the **Interim Report**—of the Sub-Committee on Finance of the Post-War Reconstruction Committee.

* * *

1. INTRODUCTORY

The analysis of the financial system in the preceding sections of our report has shown that it is inherently defective, and specifically that:

- (1) The operation of the financial system does not conform to the basic requirements of democratic organization:
 - (a) The people, as the sovereign authority, have not controlled monetary policy.
 - (b) Control of the entire financial system is vested in a virtual monopoly, for the most part consisting of private institutions exercising very wide powers, including the sovereign power of issuing and withdrawing money, with ultimate control not necessarily located even with the nation.
 - (c) This control over the entire financial system automatically carries with it control over every aspect of economic activity and renders even governments subservient to it. Democracy in any real sense is thus rendered inoperative, and for all practical purposes the actual power of government has been transferred to those controlling monetary policy.
- (2) The monetary system is restrictive and automatically generates a chronic shortage of purchasing power, with results that are likely to prove destructive of the entire fabric of organized social life:
 - (a) The incomes distributed in the production of goods and subsequently available as purchasing power are insufficient to meet the economic prices of such goods as they come on the market.
 - (b) This defect tends to increase as industrialization progresses.

- (c) The resulting restriction of production caused through the inability of producers to sell their products, is aggravated by the fact that while industrial policy is directed towards the progressive elimination of human labour from productive processes, financial policy requires the application of human labour in the economic sphere as a condition for obtaining an income—i.e., obtaining a claim on goods or services.
- (3) "Poverty amidst plenty," mass unemployment, increasing debt and taxation, industrial and trade stagnation, bitter commercial rivalry, social unrest and international strife are the inevitable results of such a system:
- (a) Improvements in industrial processes of production automatically lead to a reduction in purchasing power in relation to the prices of the goods produced. Thus, instead of increased security with more leisure for all resulting from increased productive capacity with a decrease in manpower requirements, greater insecurity and mass unemployment result.
 - (b) Under the pressure of having to sell their goods in a market inadequately equipped with purchasing power, manufacturers and merchants are obliged to extend credit (i.e., debt), sell on time and resort to various devices to get rid of their goods in return for claims on future purchasing power. This merely pushes the problem into the future and progressively aggravates the situation.
 - (c) As these effects on the economy become increasingly acute, governments are driven to expand social services. Unable to get the necessary revenue from taxation, they are forced to resort to borrowing, which increases their future liabilities, necessitating an ever growing debt structure to be maintained by increasing taxation and borrowing.
 - (d) Primary producers and manufacturers are driven to bitter cut-throat competition in a home market inadequately equipped with purchasing power. As trade decreases and goods cannot be sold in the home market they are driven to seek external markets. However, as the same conditions exist in all countries operating on the same system, bitter rivalry for markets develops as every nation's producers attempt to "blast their way" into each other's home markets. International social unrest and international friction likely to breed war must be inevitable results of these conditions.
- (4) Periodic trade depressions—virtually a partial collapse of the economic structure—of increasing frequency and intensity will be the outcome of the foregoing defects in the monetary system.

The conditions peculiar to a wartime economy have done much to cover up the foregoing defects and their economic consequences. In the main, a rapidly expanding credit structure with a corresponding expansion of debt almost exclusively for the purpose of financing the production of goods for war purposes has been responsible for this.

Goods produced for war purposes—munitions, warships, war planes, tanks, army vehicles, and war supplies, including food and

clothing for the forces—do not come on to the ordinary consumer market. Manufacturers and other producers of these have no "selling problems." The federal government is the sole purchaser. However, in the process of the production of such goods, wages, salaries and profits are distributed as purchasing power to individuals. Through taxation the government divests individuals of as much of this purchasing power as possible for the purpose of buying the goods from producers. However, the total of the money collected by taxation being insufficient to meet the costs of the goods, the government resorts to borrowing. Inasmuch as such borrowing is financed by the banks, new money is created in the form of financial credits, and so the process continues.

To the extent that debt is piled up progressively, the defect in the financial system is obscured and the problem it creates is pushed forward into the future, to be met under the far more difficult conditions of a peace-time economy, when the goods produced will come on to a competitive market in which the collective purchasing power will be insufficient to buy them at economic prices and will be curtailed further by the taxation that will be necessary to service the huge debt accumulated during the war.

It is submitted that no realistic approach to the problems of post-war reconstruction is possible unless it takes into account the inherently defective nature of the financial system upon which the operation of the entire economy largely depends.

Unfortunately, it would seem that most of the various committees on Post-War Reconstruction are ignoring completely the dominating problem of financing the various plans and measures which are being evolved by them. It cannot be emphasized too strongly that the most elaborate and carefully prepared proposals for reconstructing the economy after the war are worthless unless they provide adequately for the financial measures to implement them.

2. The Scope of Reconstruction

The extent of the financial facilities which will be necessary for an adequate reconstruction of the national economy can be gauged by briefly reviewing the nature and scope of the tasks which will require to be carried out. These fall naturally under two headings:

- (a) Projects involving the production of capital goods requiring the use of monetary capital expenditure, and;
- (b) Projects requiring short-term monetary credit to finance current production and services for consumption.

(a) Capital Production

i. The transition of industries at present engaged in the production of munitions and war supplies to the requirements of peace-time production for the consumer market. This will involve the conversion of existing plants, where possible, the scrapping of inconvertible machinery, the purchase of new machinery, re-tooling and complete re-organization. In many respects this process of transition will be equally complex and difficult, as was the adjustment from peace-time to war-time production needs, and will involve the expenditure of extensive monetary capital for financing it adequately.

ii. During the war years factories, railroads, farm equipment, highways and the various capital assets of the nation which have continued to serve the ordinary economic requirements of the people, have been operated under the handicaps of having to meet the increased demands of an economy geared to a war-time tempo, without the means being available for making good their accelerated obsolescence. In order to ensure that these factories, transportation facilities, farm equipment and so forth will serve the requirements of an adequate post-war economy, an intensive programme of capital reconstruction will be necessary, again involving the expenditure of substantial sums of monetary capital.

iii. Likewise, owing to the prior claims of wartime production on the economy during the past five years, few homes and business premises have been built, and the deterioration of existing buildings has been accelerated. In fact, the housing problem has reached crisis conditions throughout the country. An extensive programme of home building, slum clearance and home improvement will be an urgent need immediately after the war. Any action in the interim taken merely to alleviate the situation will not seriously detract from the extent and scope of such a post-war programme. This will involve the expenditure of very substantial sums of monetary capital if the problem is to be dealt with on an adequate scale.

iv. In addition to the foregoing, extensive development is desirable in conservation and irrigation projects, rural electrification, the development of natural resources such as oil and coal reserves, metal deposits, clays and other minerals, etc., and the establishment of numerous new industries. These, likewise, call for very substantial expenditures of monetary capital.

(b) Consumer Goods and Services

i. The purpose of the economic system is to provide the people comprising the nation with goods and services. The purpose of a reconstruction of the national economy is to ensure that this will be done on an adequate scale which will ensure plentiful production and its equitable distribution to provide economic security with freedom for all.

Therefore, the production of goods and services, of the type and quality which people want, must be organized to expand freely in response to the requirements of customers. For this purpose adequate monetary facilities must be available to industry for financing the production of all wanted goods.

However, it is useless to produce goods unless they can be obtained by persons requiring them. Any restriction of purchasing power automatically restricts production. Therefore, the collective purchasing power of the people must, at all times, be sufficient to enable them to buy the goods on the market at economic prices. This will necessitate an elasticity of credit facilities to finance consumption.

ii. There exists a widespread and legitimate demand for adequate social security measures to protect the individual from the threat of destitution or acute economic stress in unemployment.

ment, sickness and old age, besides providing every citizen with access to the best possible health and education services and the opportunity to pursue cultural activities. Without, for the present, entering into any question of the methods by which such a comprehensive programme of social services can be developed, it will be evident that the financial requirements will be considerable, and will involve having access to an adequate flow of monetary credit.

iii. The proper rehabilitation of the men and women in the armed services is likely to prove a far more formidable undertaking than appears to be generally assumed. In addition, to providing the individuals concerned with the facilities for acquiring the specialized knowledge which will equip them to take their places in the nation's economic life, together with the financial facilities to establish themselves on the land, in business or in a profession, the far-reaching psychological factors involved must be taken into account. A period at least equivalent to the duration of the war should be allowed for readjustment and during this time these men and women, together with their dependents, should be assured adequate economic security and freedom from financial worries while they are overcoming the nervous and mental disturbances that will be entailed in adjusting themselves to a normal social life. This seems the least that a grateful nation can do for those who have done so much for Canada. In addition, adequate provision must be made for the dependents of those who have given their lives in the war. Besides the measures required for rehabilitating personnel of the armed services, the related problems of the rehabilitation of workers in various war industries has to be taken into consideration. However the matter is viewed, it is evident that very substantial financial facilities will be required for the proper rehabilitation of the men and women of the armed services.

3. Post-War Finances

We turn now to the financial conditions which will exist after the war, if there is no fundamental change in the existing monetary system.

Public Debt:

The national public debt has increased from about \$3,700 million in March 1939 to over \$12,000 million in January 1945. It is unlikely that it will be less than \$15 billion at the end of the war, assuming a cessation of hostilities before the Spring of 1946.

To the national public debt must be added the total of provincial, municipal and other public debts. On a conservative estimate these will amount to some \$3,000,000,000.

Thus we find that the total dead weight of public debt on the national economy at the end of the war will amount to some \$18,000,000,000, or about \$7,500 for every Canadian family (assuming an average of four and a half individuals to each family).

Taxation:

This enormous dead weight of public debt involves an obligation by the public through their governing bodies to repay both

principal and interest which can, in the final analysis, be collected only by means of taxation under the present system of public finance. Assuming an average rate of interest of 3% and an additional 2% for sinking fund reserves, a sum of \$900,000,000 will have to be raised by taxation annually for the purpose of servicing the public debt alone. This will constitute an average tax burden on every Canadian family of some \$350 a year.

In addition to the foregoing, all governments, federal, provincial and municipal, have assumed obligations for services which will be continued into the post-war period.

Exclusive of war expenditures at a conservative estimate, the ordinary commitments of the federal government would amount to some \$250,000,000, to which must be added the estimated costs of family allowances, unemployment insurance, price subsidies and other measures to which it is committed also—and revenue which must be raised by taxation, either by way of deductions from wages or by general taxes. The costs involved would not be less than a further \$300,000,000, excluding contributory sickness or old age pension insurance.

The liabilities of provinces and municipalities, computed on their 1937 expenditures, would amount to some \$400,000,000 exclusive of debt payments.

Thus, we find that the total of liabilities by governments which will have to be financed by taxation will amount to some \$1,850,000,000—or an average tax burden on every Canadian family of no less than \$725 a year.

(Note: While the foregoing figures are approximate estimates, the possible margin of error involved does not detract from the general appraisal of the situation for purposes of this review).

The Credit Structure

The volume of money—both currency and credit—which is at the disposal of the people for carrying out the business of the country is represented by the sum total of bank deposits plus the currency in people's pockets, in the tills of retail stores and generally the small change in actual use.

The total volume of bank deposits has risen from \$2,823 million in 1938 to \$5,956 million as at November 30th, 1944.

Against these liabilities the chartered banks hold some \$3,576 million in securities (compared with \$1,439 million in 1938), the bulk of which is in the form of Dominion securities. It should be kept in mind that the banks have acquired these securities by the simple process of creating the money (in the form of financial credit) for their purchase. Bank loans to customers have not increased in anything like a comparable ratio, being \$1,545 million as at November 30th, 1944, as compared with \$1,200 million in 1938.

In the light of these facts, the problem arises: How will the financial requirements for post-war reconstruction be provided? Capital development—the conversion of wartime factories, the reconstruction of obsolescent plant and equipment, as well as the development of new industries, will require monetary capital. Agriculture and industry will require an expanding volume of short term credit for consumer production. Governments will require substantial

monetary facilities to finance the various reconstruction programmes, which are in course of preparation. In addition, the Federal Government will require even more substantial monetary facilities for the demobilization of the armed services and for the repayment of savings certificates and compulsory savings for which there is likely to be a heavy demand.

The necessary money can be provided only by the action of the banks, because that is the only source from which the public can obtain its money supply under the existing system.

Sources of Financial Credit:

Banks do not extend long term credits for monetary capital, and the extent of the capital development which will require to be undertaken after the war presents a serious problem. While a number of firms engaged in wartime production have made some provision, by means of substantial depreciation reserves, for financing the reorganization of their plants for peace-time production, most of these reserves are, in all probability, in the form of investments—such as government bonds. In order to convert these holdings into liquid capital the bonds will have to be sold. Besides the volume of securities which will come on the market from this source, there will be a large number of individuals who will be desirous of selling their war bonds to finance home building, home improvement and other projects for which they have been saving.

Unless the chartered banks purchase the bulk of the bonds that are offered for sale, the volume which will come on the market will not find ready purchasers, with the result that the prices of securities are likely to be forced down, investment money will become "dear," interest rates will be forced up and monetary capital will be curtailed.

If the Bank of Canada encourages the chartered banks to purchase freely the securities offered for sale, and thereby provides a ready market for these, they will add to their already disproportionate holdings of securities in relation to their short term production loans—the provision of which is the main function of these chartered banks. This would lead to a situation in which these vast holdings of securities by the banks would be frozen, as any subsequent attempt to unload them on the public would involve large scale deflation with disastrous results on the economy.

(Note: The effect of a bank selling securities is the same as calling in loans. Both destroy a corresponding volume of monetary deposits).

However, that is but one aspect of the matter. Owing to heavy taxation and the increased costs of materials reflected in increased prices, the real wages of workers have been reduced. Again the attempt to impose a rigid price control, despite the increased production costs, has led to the exploitation of every channel for evading the controls by lowering quality, changing the trade-name of goods and so forth. Thus the pressure on wages and on prices is increasing, and we shall emerge from the war with conditions ripe for inflation.

In their legitimate demand for a standard of living commensurate with the proven productive resources of the nation, labor organizations are likely to press for substantial upward revisions of wage rates. Any such increase in wages would immediately increase production costs and prices would be forced up. This, in

turn, would decrease real wages and lead to demands for further upward revisions, leading to a further increase in prices, and inflation would follow, developing with increasing momentum to its disastrous climax.

It should be noted that this feature of the system under which wages and prices are related, an increase in the former being automatically offset by an increase in the latter, it is impossible for labour to secure any marked improvement of conditions. Moreover, any increase of taxation resulting in deductions from wages or a rise in prices cannot be offset by higher wages, because prices are automatically increased by the added production costs.

Again, owing to the heavy and steeply graded scale of taxation, the volume of savings available for investment in industry is likely to be negligible apart from any money which might be obtained from the sale or redemption of war savings instruments.

With these factors in mind, a consideration of the general financial and credit structure is not very re-assuring.

Industry and trade are likely to be competing with the Federal Government, faced with financing demobilization and public works schemes to tide over the threat of large scale unemployment, for the limited monetary capital which will be available. The small industrial firm, the individual manufacturer and the small business will be seriously handicapped, compared to the large concern and the government.

The threat of inflation is likely to lead to a restrictive credit policy, which would automatically limit all economic activity.

The agreements being entered into for a stabilization of international exchange rates will automatically result in pressure on the economy for a stabilization of prices, resulting in the curtailment of monetary credit facilities—with a consequent restriction of production and economic activity.

Moreover, with the cessation of hostilities, manufacturers of war supplies will be forced to turn to the consumer markets for the sale of their goods. As we have shown, the monetary system fails to distribute purchasing power sufficient to enable the goods produced in the process to be sold at economic prices. While it is possible for this defect to be overcome temporarily by means of large scale government sponsored public works financed by borrowing, as consumer production increases so this defective feature—aggravated by the onerous taxation rendered necessary by the huge and growing debt structure and the demand for social services—will operate to create economic stagnation.

4. Conclusions

It should be evident from this cursory review of the facts that any large scale reconstruction of the economy cannot be financed within the limitations of the existing monetary system, and that any attempt to do so must lead inevitably to economic disaster.

This conclusion is inescapable when we bear in mind:

- (a) That the monetary system is inherently defective and results in a chronic shortage of purchasing power, which in turn automatically restricts production.

- (b) That the operation of this defective system brought the national economy—in common with those of other countries—to the brink of collapse during the pre-war years.
- (c) That the situation has been aggravated by the rapid expansion of the credit structure under wartime conditions which has been rendered possibly only by a very large increase in the debt structure that represents a charge against future purchasing power and that this alone has enabled the monetary system to function at all in response to the demands of a war economy.

There is, however, an even more alarming feature about the situation. Because of the threat to the national economy with which the country will be faced at the conclusion of the war, with the danger of large scale unemployment and no adequate facilities available for financing industrial reconstruction, conditions are likely to force the Federal Government to take action in order to avert economic collapse.

If this is attempted within the limitations of the existing financial structure the results are likely to be disastrous.

The tendency will be to meet the situation by the institution of large scale public works and other projects financed by, and under the control of the Federal Government. Social Security measures have already been instituted and are in the process of being developed to provide bare subsistence in unemployment, sickness and old age under **Compulsory** State Insurance Schemes.

The effect of such measures will be to bring the individual citizen more and more under the centralized control of the government at the expense of his personal freedom. He will be **compelled** by law to surrender a portion of his already inadequate wage, he will be **compelled** to observe the masses of regulations and controls which accompany such schemes, he will be **compelled** to accept the conditions imposed on him to become eligible for benefits and, should he find himself unemployed, he might be **compelled** to accept employment in government controlled public works projects under conditions in regard to which he would have no say and virtually amounting to forced labour.

When it is borne in mind that we shall emerge from the war with rigid centralized controls over every aspect of our national life operating through a vast state bureaucracy, the threat of increased centralized control from Ottawa, at the expense of the personal freedom of the citizen, provides grounds for serious alarm. It is the very basis of Democracy that the state and its institutions should exist to serve the people and operate under their control, in short that the state should be the people co-operating in association to run their own affairs—yet, the whole trend is in the opposite direction, threatening to bring the people more and more under centralized domination by state institutions over which the people themselves exercise no effective control.

In the light of the alarming situation which is developing in the national sphere, we feel that to be of any practical value our submissions must deal both with the measures of financial reconstruction which are necessary to cope with these national conditions, and with the action which can be taken by the province to safeguard its economy in the event of the national situation being permitted to

drift unchecked towards an economic crisis. Accordingly, we have divided the concluding sections of our report into two parts:

Part V dealing with the measures of national finance necessary to provide the means for financing an adequate reconstruction of the national economy.

Part VI dealing with the restricted action which can be taken within the limitations of the existing financial system and some possible safeguards to the provincial economy in order to minimize the effects of a general economic collapse.

Part V.

NATIONAL FINANCIAL RECONSTRUCTION

1. Review of Interim Recommendations

In our Interim Report your Sub-Committee submitted recommendations embodying the broad principles involved in a reconstruction of our financial structure for the purpose of establishing a properly functioning democracy as the basis of the post-war order.

These recommendations followed naturally from our analysis of the financial system and specifically from the following recapitulation of the essential factors which must govern the operation of the monetary system:

Basic Considerations

- (1) The monetary system is the essential mechanism for organizing the national economy.
- (2) If the social structure is to be organized as an effective and properly functioning democracy, its economic operation should yield the nation an economic democracy; that is to say, it should provide the people with the personal security, in terms of the goods and services they want and can produce, and with the personal freedom they desire. As the mechanism for organizing the national economy, the monetary system should operate to this end.
- (3) As the control of the issue of money can determine the volume and nature of production, and as control of the monetary system is a sovereign power, it should be under the effective control of parliament and should operate in response to the wishes of the people.
- (4) The monetary system being the economic voting mechanism by means of which the individual can make demands on the results of the national economic effort—thereby an essential means of enabling production to be controlled by the people—and as it is likewise the means by which the individual can be assured economic security and freedom of action in the economic sphere:
 - (a) The total purchasing power in the hands of the public should at all times be equal to the collective prices of the goods for sale on the market computed on an economic basis.

- (b) The public should, in addition, be provided with monetary reserves for the purpose of savings, trade requirements and investment.
- (c) Purchasing power should be distributed in such a manner that it gives the individual citizen adequate security with the maximum freedom of action—and ensures an equitable distribution of the national production.
- (5) The existing faulty features of the system must be rectified to conform to the foregoing.

* * *

Arising directly from the foregoing, and the specific defects in the existing financial system to which we directed attention in our analysis of its operation, we submitted the following interim recommendations for a reconstruction of the **national** financial structure:

INTERIM RECOMMENDATIONS

- (1) A competent national monetary authority, operating in conjunction with the Bank of Canada, and responsible to the people through parliament, should exercise full and effective control over the operation of the monetary system, including the issue and withdrawal of all currency and credit.
- (2) The national monetary authority should be required to maintain a proper accounting of the national economy and to ensure that:
 - (a) Adequate monetary facilities are available to finance all required production, and having due regard to a balance being maintained as between capital goods and consumer goods produced.
 - (b) At all times the people possess purchasing power equivalent to the total prices of goods for sale on the market.
 - (c) Proper safeguards are in operation to preclude either inflationary or deflationary instability of prices or of other essential economic factors.
- (3) All money required for Federal Government services should be issued, on the instructions of parliament, without increasing the national debt, and federal taxation should be used primarily for the purpose of withdrawing surplus purchasing power, if any, to prevent inflation.
- (4) Adequate funds should be made available, to provincial governments in a similar manner and as drafts on the national credit, by means of equitable block grants to provide the highest standard of social services commensurate with the productive resources of the nation.

* * *

The application of these principles to a reorganization of the financial structure would, of course, vary with the conditions existing within the national economy at the conclusion of the war.

However, the broad pattern of the reconstructed national economy desired by the Canadian people as a whole, and the probable conditions which will exist can be assessed, and, indeed, are reflected in the nature of the reconstruction measures recom-

mended by the Alberta Post-War Reconstruction Committee and the various committees of a similar nature throughout the country.

* * *

2. Objectives of Reconstruction

In regard to any undertaking, the objectives to be attained are the dominating factor, and it is submitted that much of the confusion regarding post-war reconstruction arises from a confusion of objectives.

Reverting to first principles, the broad objectives of human society are the attainment by individuals of adequate economic security, together with the greatest possible measure of personal freedom consistent with the limitations of social life. Of these the dominant urge is for freedom.

Personal freedom without organized society means the right of each individual to do or to refrain from doing anything he chooses without detracting from the same right of every other person.

Freedom in any real sense cannot exist for a person unless he has an adequate measure of economic security. A person who does not possess the means for obtaining food, clothing, shelter and other material necessities sufficient for his needs cannot enjoy any real freedom.

Then again, if a person is dependent upon another for his economic needs, and as a condition of securing these, that person is forced to conform to a mode of life imposed upon him, he has no real freedom. Although he may be assured economic security, he remains a slave.

It follows that while economic security is essential to the acquisition of any measure of freedom by the individual, he must enjoy that economic security on conditions over which he has no control. In other words, he must enjoy economic independence.

This can be achieved only within the form of society known as democracy, the basis of which is that the people shall be the supreme authority for the purpose of obtaining the results they want from the operation of their institutions. (The principles governing the organization of a democracy are set forth in Part 1, 2—Principles of Organization—in our Interim Report).

It can, therefore, be stated that the broad objectives of post-war reconstruction should be a properly functioning democracy in which the individual will have the greatest possible measure of economic security with independence, together with the utmost personal freedom consistent with social life.

Any limitations placed upon the scope of individuals to acquire adequate economic security under conditions of their own free choice would be destructive of their freedom.

Any limitations placed upon the right of each person to live his life as he chooses without interfering with the same right of every other person would be destructive of his freedom.

Within such a democratic social order the power of control would be decentralized to a maximum extent, so that the people collectively would determine the results which they obtained individually from the operation of their institutions. The function of the

economic system would be to deliver goods and services as and when they were required by individuals, up to the maximum capacity of the economy and on an equitable basis which made a minimum demand on the individual's freedom of action. The function of government would be to protect the lives, the property and rights of citizens and to order their relationships with each other and with other sovereign states, with a minimum of restrictions on the freedom of action of the individual. In short, that government would be best which needed to govern least and with a minimum of laws.

Unfortunately we find that the trend in the past has been in the opposite direction towards more and more centralized control, leading to an authoritarian form of society, and there is a grave danger of this becoming accelerated after the war, unless there is a re-orientation of thought in regard to post-war reconstruction.

Social Security Measures:

The focus of post-war reconstruction is, very properly, the establishment of a comprehensive system of social security which will protect the individual from economic destitution in old age, sickness or unemployment, and provide access to adequate health services, educational facilities and cultural activities.

However, the tendency is to ignore the causes of the conditions which render it necessary to introduce a system of social security, and to proceed on the assumption that remedial measures can be superimposed upon a social structure that creates conditions of general insecurity. Actually such action is likely to intensify instead of alleviating the conditions with which it is designed to deal.

We have shown that the monetary system is inherently defective in regard to two all-important matters:

- (1) It fails to distribute sufficient purchasing power to enable the people of a country to buy the goods produced at economic prices.
- (2) It distributes purchasing power, in the main, as wages and salaries for work in the economic spheres, whereas the trend of industry is towards the progressive elimination of human labour from the economic sphere, and its replacement by power-driven machinery and improved processes of production.

These major defects are sufficient to account for the universal economic chaos which preceded the war. They account for the otherwise inexplicable paradox of widespread poverty and insecurity existing alongside unlimited productive resources, restricted production, mass unemployment and all the features which marked the world economic crisis of the pre-war years.

In order to avert the collapse of the economy and to alleviate the plight of the people, governments intervened with relief measures, and legislative restrictions on the operation of trade and industry. These relief measures took the form of feeding, clothing and housing the destitute victims of economic conditions, providing essential health services and encouraging charitable activities. Legislative enactments placed trade and industry under government supervision; minimum wage rates, maximum hours of work, conditions of employment, price controls and other measures rendered the operation of

the economy progressively subject to centralized government supervision and control.

For purposes of financing relief measures, and supplementary social services, governments resorted to increased taxation and borrowing. The result of this was to decrease the already aggregate deficiency of purchasing power of those receiving incomes for the purpose of providing for the destitute. The effect of this was to reduce the already inadequate standard of living of the vast majority of the former and to level down the general living standard—thereby aggravating the situation. In fact any attempt to deal with the disastrous results of the defective financial system, within the limitations of that system, could have had no other results.

Thus we find that the operation of the defective financial system automatically restricts production, which, as we have shown elsewhere, results in the progressive centralization of control in large corporations, combines, monopolies and cartels and in the systematic elimination of the small independent concern, also leads to the progressive intervention of governments in the control of economic activity.

This is more clearly indicated by the so-called social security measures being advocated as the basis of post-war reconstruction.

State Insurance Schemes

In order to protect the individual from economic destitution during unemployment, sickness or old age, it is proposed to organize a comprehensive scheme of State Insurance to which the individual will be **compelled by law** to subscribe.

The proposition entails the establishment of a central fund to which employers and employees will be required to subscribe in proportion to the benefits to be made available. The fund is to be subsidized by grants from the government treasury proportionate to the amounts subscribed by employers and employees.

A person becoming unemployed, ill or reaching the pension age would be entitled to receive benefits computed on a subsistence level, supposedly to discourage malingering.

Without going into the details of this proposal, its complete futility as a means of providing any measure of social security should be apparent.

In effect the compulsory contributions deducted from the wages of workers constitute a direct wage tax thereby reducing the level of wages; the contribution of employers constitute a direct business tax which increases operating costs, thereby increasing prices; the proportion contributed by the government can be obtained only by taxation under the existing system, with the result that it reduces the general purchasing power of those paying the tax.

It should be evident that such an arrangement is merely a device for taxing those with incomes to provide for those without incomes—thereby levelling down the general standard of living towards the poverty line. It does not deal with the chronic shortage of purchasing power, it merely provides for a redistribution of purchasing power, and to the extent that the money collected from contributions remains immobilized in a central fund, the shortage of purchasing power is intensified.

However, that is by no means the most obnoxious feature of the scheme. The element of compulsion is a direct attack on the freedom of the individual. Moreover, employers, employees and those qualifying for benefits are subject to regimentation under a mass of regulations at the hands of a vast bureaucracy operating in the name of "The State." The scheme constitutes a retreat from democracy towards the authoritarian state.

Full Employment

Another proposal being advanced as the main objective of post-war reconstruction is "full employment." This is a glaring example of the confusion of objectives which exists regarding reconstruction measures.

The purpose of "full employment" as an objective apparently is to ensure that everybody who is capable of doing useful work will receive an income which will give him and his dependents economic security.

The fact seems to be overlooked that human toil in the economic sphere is but a means to an end; namely, the production of wanted goods and services; it is not an end in itself. What is more important all the efforts of industrial and scientific progress are directed towards the progressive elimination of human toil from economic processes. This development has reached such proportions under modern power production methods and improving processes that the need for employing human labour is declining as the rate of productive capacity increases.

It is a serious reflection on human intelligence that men should set as their objective full employment of the available manpower, while at the same time they are concentrating their efforts in the economic sphere to eliminate the need for human labour and create unemployment.

This paradoxical clash of interest arises from the rigid insistence under the rules of the present financial system that purchasing power shall be distributed only as a payment for work in the economic sphere (apart from the relatively small proportion distributed as dividends on investments).

It will be apparent that, as the defective feature of the financial system which results in the distribution of a chronic shortage of purchasing power arises from the method of financing capital production and that this deficiency of purchasing power increases with the development of industry, the breakdown of the economy is accelerated with every improvement in the processes of production and distribution of goods and services. The deficiency in purchasing power becomes more acute and unemployment increases as productive capacity advances.

Any attempt to "create full employment" in the face of these conditions will lead inevitably to the intervention of the government in providing "work schemes" in the form of public works and other activities. Those finding themselves unemployed would then be forced by their economic plight to accept the kind and conditions of work being offered under these state projects, while the government would be obliged to tax those in receipt of income from ordinary economic activities in order to pay the wages of those employed by the state.

The conclusion is inescapable that the two-fold objective of personal security with the greatest possible measure of personal freedom within a properly functioning democracy are impossible of attainment under the present financial system, and that the attempts being made to provide for the reconstruction of the economy within the limitations of a defective system of finance and the progressive trend towards centralization of control and economic monopoly can lead only to the abandonment of democracy and to national disaster.

3. Economic Democracy

The essential nature of the task involved in post-war reconstruction is the establishment on firm foundations of a properly functioning democracy, free from the disruptive features of the pre-war economy, with the objectives of personal economic security, with the maximum freedom for all and an equitable distribution of the proceeds of economic activity.

A democracy is effective to the extent that it provides the people with the results they want. This involves the absolute sovereignty of the people in regard to the determination of the results they obtain from their various institutions—both political and economic, which, in turn, involves the people exercising effective control over their institutions in respect to results.

It is outside the scope of our terms of reference to deal with the effective control by the people of their institution of government. We shall, therefore, confine ourselves to the economic sphere.

The organization of an effective economic democracy is mainly a matter of finance. As we have stressed before, money is essentially the main mechanism of the economy organization by means of which the operation of the economy can be facilitated.

In this respect the basic principles to be kept in mind are those summarized in Part I of our Interim Report as follows:

Purpose of the Monetary System:

To facilitate the operation of the economic system in serving the purpose for which it exists. It is essentially a mechanism of organization:

- (a) To provide inducements to individuals to co-operate in the production of goods and the rendering of services which people want.
- (b) To enable an equitable distribution of available goods and services to be made as between individuals, with the maximum freedom of choice being accorded to each.
- (c) To enable an accurate accounting to be kept of the nation's production, consumption and other economic activities.
- (d) To provide the people in a democracy—i.e., in a **natural** social order—with an effective voting mechanism which will enable them:
 - i. Individually to obtain the results they want from the available stocks of goods and services.
 - ii. To "vote" for the continuance as administrators of those firms who are giving them satisfaction by buying their products and thereby "keeping them in business."

iii. Collectively to determine the volume and nature of productions by their purchases—i.e., the use of their money votes.

NOTE: Under our highly complex modern money economy, to the extent a person has money in relation to the price of the goods and services he wants he has economic "voting power"; to the extent he is assured of a sufficiency of economic voting power, he has economic security; and to the extent he obtains this under conditions over which he personally has control, he has economic freedom.

- (e) To enable individuals to forego their claims to a share of the current production by virtue of the money they possess, in order that they may exercise their claim at some future time to meet their wishes.

With these principles in mind, it is necessary to consider the means by which the financial system can be reconstructed so as:

- (1) To give the people collectively effective control over the results they obtain from the economy.
- (2) To ensure to each individual the maximum freedom of action and freedom of choice—the two essential aspects of freedom.
- (3) To ensure the full use of the nation's economic resources up to the limit of providing wanted goods and services and arrange for their equitable distribution to individuals.
- (4) To remove the defective features of the financial system.

The key to the problem is the distribution of adequate purchasing power on an equitable basis, on the one hand, and the provision of adequate financial facilities for the unrestricted expansion of production in response to the demand for goods and services, on the other hand.

Equipped with adequate purchasing power, the people would determine the nature and volume of production, provided this could expand freely in response to their demands through the purchase of goods and services.

However, this would not deal necessarily either with the problem created by the progressive elimination of human labour from economic activity, or with the problem of providing for the equitable distribution of production. Moreover, before an effective economy democracy can exist, the system must ensure the freedom of the individual.

The realistic view of the elimination of human labour from the field of economic activity is that it provides the opportunity of increased leisure for all. The problem is to ensure the equitable distribution of this leisure in accordance with people's wishes. This cannot be done by a drastic reduction of working hours under the present system, because it would result either in a corresponding reduction of the individual's wages or in a corresponding increase in production costs, resulting in higher prices and a lowering of the standard of living.

The only manner in which an equitable distribution of the national production can be ensured is one which will enable the people as a whole to exercise effective control over the way in which it is distributed.

Finally we have to contend with the problem of ensuring that the individual has the greatest possible measure of freedom in the economic sphere—something which he is denied today by a system under which he depends upon a wage or salary for his existence. A person who is forced by economic circumstances to accept the scale of wages—which determine his economic well-being—the kind of work and the conditions under which he must work which are dictated by some other person is not free in any real sense of the term. He is virtually an economic serf. In order to enjoy full economic security he must control the conditions under which he obtains the goods and services he wants. In short he must have economic independence.

There is a very real basis for providing such personal economic independence as an essential feature of the national social structure.

The abundant production which is possible today by the use of power production methods is sufficient to provide economic security for all. This amazing achievement since the days of handcraft production and economic scarcity represents a cultural heritage. The difference between the limited production of man equipped only with hand tools and the hundred-fold increase resulting from the use of power-driven machinery is due to the knowledge and skill which has been accumulated and passed down from generation to generation through the years. It is the heritage of a nation in which all its people, by virtue of their citizenship have a share.

Therefore, to the extent that this cultural heritage is exploited, every person has a right, in equity, to share in the proceeds. During the time that it required the hard labour of all to provide a bare existence, it was proper that each person should be required to contribute his labour as a condition for sharing in the national production. However, as power-driven machinery has progressively replaced human labour, and productive capacity has increased to provide potential abundance, a share of the increased production provided by the machines belongs in equity and as a right, to the heirs of the common cultural heritage. To the extent that human labour is required in the exploitation of the cultural heritage, the national production should be distributed for services rendered by individuals, but to the extent automatic and semi-automatic processes are used, an increasing portion of the products should be distributed in the form of a dividend to individuals, as their share of the cultural heritage.

There would be no practical difficulty in giving effect to such an arrangement within the existing economic structure without any violent disruption of its operation. Individuals would obtain their incomes from two sources. They would receive a small, but increasing, income as a social dividend (much as industrial dividends are paid), and they would continue to depend for their main source of income upon the wages, salaries, commissions or other payments they received for work in the economic sphere.

Though the nature of this reform may not appear far-reaching, its effect on the economy would be profound. Every person would possess basic economic security and independence as a **right of citizenship**. No person would be forced to accept the wages and working conditions imposed upon him. He could choose the type of work he undertook, the employer for whom he was prepared to work

and the wages and working conditions he would accept. This would very rapidly bring economic policy and the personnel of administration under effective popular control resulting in shorter working hours and the equitable distribution of leisure.

Moreover, no problem arises in regard to "where the money is to come from," for, as we have shown, the serious and growing deficiency of purchasing power generated by the present system has to be made good, and the distribution of these supplementary social dividends would go far towards doing this.

It should be apparent that this single simple reform in the financial system would reduce the entire problem of post-war reconstruction to manageable proportions. There would be no need for state administered social security measures. Every Canadian would be assured economic security under all conditions **as a right**. He would not be dependent on state charity with its accompanying regimentation. He would have not only economic security, but the freedom to order his own life. Family allowances based on taxation—merely another device for redistributing incomes—would be rendered unnecessary, for the dividend would be payable to every citizen, and the large family would be assured economic security in proportion to the small family.

In the first instance the payment of dividends could be concentrated where they are most necessary during the transition period—to ensure adequate economic security to those returning from the armed services until they become properly established, to the general body of wage earners and the lower income group as a whole. Proper safeguards would, of course, be necessary to protect the economy from the abuse of the freedom which would be conferred on individuals, but this would be necessary only for a short period until people became conditioned to the enjoyment of economic independence.

The application of the foregoing provisions in the reconstruction of the national economy would result in the rapid evolution of an effective economic democracy.

The recommendations which follow are based on these considerations:

4. Recommendations

General

1. A competent national monetary authority operating in conjunction with the Bank of Canada and responsible to the people through parliament, should exercise full and effective control over the operation of the monetary system, including the issue and withdrawal of all currency and credit and the chartered banks be required to operate as agencies for the national monetary authority in the issue of all monetary credits.
2. The national monetary authority should be required to maintain a proper accounting of the national economy, and specifically to keep a record of the total volume of goods available for consumption and the purchasing power in the possession of the public. For the purpose of maintaining a constant balance between the total prices of goods for sale and total purchasing

power, a fund equivalent to any deficiency of purchasing power should be created for distribution as hereinafter provided.

3. Bonded debt and its accompanying usury being destructive in its effects on the economy, should be progressively replaced by investments in industry in the form of common stock having no par value. In the case of public bonded debt, the national monetary authority should redeem such bonds for purposes of providing monetary capital for industrial investment, giving priority to the requirements of individual bondholders and industrial firms, and exercising care to maintain a proper balance between capital goods and consumer goods production. This should form the basis for the systematic liquidation of the public debt.

Social Security and Social Services

4. For the purpose of providing an adequate system of social security, with full freedom, for all Canadians, the national monetary authority should be authorized by parliament to distribute from the fund set up under the provisions of 2 above:

Increased old age pensions, free from any means test, payable to all persons over 59.

Personal and family allowances sufficient to ensure every Canadian economic security with proper safeguards against abuses of the freedom and independence of action thereby conferred upon the citizens. Block grants to the provincial governments, computed on an equitable basis as between provinces, for the purpose of financing adequate health and education services.

Agriculture

5. The Federal Government, in co-operation with Provincial Governments, should establish agencies to compete with existing agencies in purchasing farm products at remunerative prices to farmers until such time as the prices of such products are established at an economic level.
6. Suitable agricultural banks should be established for the purpose of taking over existing farm mortgages on equitable terms, and granting farmers long, medium and short term credit on the basis of a service charge.

Industry, Trade and Commerce

7. The national monetary authority should be required to authorize a policy to provide adequate monetary facilities, under proper safeguards, to finance all wanted production and trading services.
8. Wage rates should be raised to a level adequate to ensure a proper standard of living, and the purchasing power of wages should be safeguarded by measures which, on the one hand, will preclude any inflationary rise in prices (while permitting producers and manufacturers a fair remuneration for their services), and on the other hand, will preclude any fall in prices below an economic level. In order to obviate any rigid control, the residue of the fund under 2 above could be used for the

purpose of reducing the general price level by means of a system of subsidies, thereby providing a simple means for maintaining total prices in constant balance with total purchasing power.

9. Freight rates on all-Canadian products should be substantially reduced to have an equalizing effect, by means of subsidies. (This would have the result of unifying the national economy and stimulating development).
10. All foreign exchange transactions should be dealt with by the national monetary authority, who would maintain exchange rates with other countries on a basis of their relative price levels as compared with Canada and would safeguard the economy against the disturbance of foreign exchange manipulations.

Taxation and Other Matters

11. All monies voted by parliament for the use of the Federal Government should be issued, through the national monetary authority, without increasing the national debt.
12. The Federal Government should abandon the field of direct taxation, and federal taxation should be used for the sole purpose of withdrawing surplus purchasing power, if any, and to iron out any glaring inequalities existing within the economy.
13. The services of the national monetary authority should be placed at the disposal of the provinces for the purpose of systematically liquidating provincial and municipal debts.
14. No financial corporation should be permitted to exercise its right as shareholder in any productive or distributive undertaking for the purpose of controlling policy and should, therefore, be prohibited from having a nominee on the directorate of such concerns or otherwise exercising any influence.

* * *

It is submitted that within the framework of the foregoing measures it will be possible to establish a fully functioning economic democracy, which would:

- (1) Provide the necessary finances for capital development in the transition from a wartime to a peacetime economy.
- (2) Provide the funds for necessary post-war reconstruction measures.
- (3) Ensure full economic security with a maximum measure of personal freedom for all Canadians.
- (4) Ensure a progressive and expanding economy with increasing opportunities for all.
- (5) Deal with the debt situation.
- (6) Reduce taxation and the need for government interference with the freedom of the individual to a minimum.
- (7) Preclude the dangers of both inflation and deflation.
- (8) Remove the defective features of the present monetary system.
- (9) Usher in an era of prosperity and progress which would enable Canada, by her example, to give world leadership at this critical period.

Part VI .

PROVINCIAL ACTION

1. Introductory

As we have endeavoured to show, it is a certainty, devoid of any element of doubt, that the consequences will be disastrous if an attempt is made to deal with the post-war situation within the limitations of the present defective financial structure. However, we recognize that there is likely to be strong opposition from certain influential quarters to effective action being taken along the lines indicated in the preceding section of this report—notwithstanding the threat to the national economy in the absence of such action on a national scale.

It becomes necessary, therefore, to consider what can be done strictly within the constitutional limitations of provincial autonomy to give effect to measures of post-war reconstruction, and to safeguard the economy of the province, if only to a limited extent, against any threat of collapse to the national economy.

* * *

At the present time the general outlook regarding a reconstruction of the economy and the implementation of any extensive programme of post-war development is not very reassuring.

Municipal and civic authorities prepare details of various local projects that can and should be undertaken. They present these to their provincial governments, usually adding, with complete justification, that the latter must find ways and means for financing such measures, as the local authority could not hope to raise the necessary funds by taxation.

When the provincial governments are confronted with a general programme involving all the projects submitted by their local authorities and, in addition, further projects of province-wide scope, they find themselves in the same position, for if each of the local authorities could not see its way clear to raise the necessary money to finance its own project from local taxation, the provincial government would find it equally impossible to finance the same projects, plus additional ones, by taxing the same people.

The Federal Government having very much wider taxing power, and, in addition, possessing control over the entire national economy through its jurisdiction over national fiscal and monetary policies, is in a better position to deal with the problem. However, the Dominion being but the sum total of the provinces, under the limitations of the existing financial system, the Federal Government is faced with the same problems as the provinces and municipalities—namely, that of obtaining the necessary funds by taxing the same people who comprise the provincial and local taxpayers.

Yet it is only right that the provinces should lay the problem of financing post-war reconstruction on the doorstep of the Federal Government, because the latter has the unquestioned authority, through parliament, to make the necessary changes in the monetary system for the purpose of dealing with the situation.

However, at the present time there are absolutely no indications that the Federal Government has any intentions of exercising its powers in this respect, with the result that all discussions of post-war reconstruction are being carried on in the light of the financial impasse which confronts all governments.

It is to the question of what action this province can take in the face of that situation to which we now turn our attention.

* * *

2. Sources of Revenue

It cannot be emphasized too strongly that the essential problem involved in a reconstruction of the economy—the main barrier to carrying out the various measures being advocated—is that of providing the funds necessary to finance the undertakings.

Within the limitations of the existing financial system the sole sources of legitimate revenue for provincial governments are taxation, fees and royalties. While the additional source of securing funds by borrowing in exchange for interest bearing bonds is available, as we have shown borrowing is inflated deferred taxation, which, in turn, merely accentuates the difficulties of securing adequate revenue for public services.

The following tables of total revenue (including borrowings) and total expenditures, together with the provincial debt structure, for the period 1930 to 1944 provides an interesting comparison for purposes of assessing future trends:

* * *

GOVERNMENT OF THE PROVINCE OF ALBERTA OFFICE OF THE PROVINCIAL AUDITOR

NET FUNDED AND UNFUNDED DEBT 1930-1944

	Net Funded Debt	Net Unfunded Debt
1930	\$102,406,298.23	\$ 4,589,308.45
1931	111,508,702.32	5,561,881.26
1932	130,510,501.81	5,827,240.16
1933	133,160,779.35	10,565,303.20
1934	132,143,064.95	12,405,597.85
1935	136,122,786.75	14,486,262.54
1936	142,941,031.07	15,140,319.40
1937	143,487,203.18	15,243,738.07
1938	143,573,130.08	13,442,286.85
1939	143,412,253.65	11,582,498.48
1940	142,926,186.90	5,014,035.07
1941	142,189,968.50	2,551,050.08
1942	141,455,384.89	
1943	140,534,443.59	259,715.47
1944	139,589,060.96	2,814,740.19

The most striking feature in these figures is the almost constant amount of total annual expenditures averaged over a period varying from conditions of acute depression from 1931-1934 to the wartime boom condition of 1941-1944.

The steady improvement in economic conditions from 1937 onwards is reflected in the increase in revenue without recourse to borrowing and without an appreciable increase in the scale of taxation levied on individuals.

However, it is clear that the systematic improvement in needed social services which accompanied this trend would not have been possible without recourse to borrowing but for the reduction in interest rates on the public debt and the temporary suspension of maturing obligations which were imposed to meet emergency conditions, together with the progressive decrease in relief payments to the destitute as economic conditions improved.

Another factor which should be borne in mind is that the substantial increase in revenue shown during the latter war years must be discounted by the rise in the price level which has added to the costs of administration. Against this must be set off the even larger volume of revenue that would have accrued to the province but for the limitations involved in the agreement with the Federal Government in regard to the collection of income and corporation taxes during the period of the war.

However, assuming that the public debt of the province is refunded, involving an increase in the existing annual debt charges which have to be met, and taking into account all the factors involved, including the certainty of some recession in economic activity, it is improbable that the existing sources of provincial revenue will be more than sufficient to meet the present commitments of the provincial government. It certainly cannot be sufficient to finance either additional social services of any substantial scale or any large-scale reconstruction programme.

Any additional taxation by the province is blocked by the extent of the invasion by the Federal Government of the field of direct taxation, the known obligations of that government and its dependence on taxation for securing the necessary revenue.

* * *

An examination of the field of post-war reconstruction, within the frame of reference of the existing financial structure, raises three major issues which have to be faced:

- (1) The total inadequacy of the present sources of revenue to enable provinces to discharge their constitutional obligations.
- (2) Recognition by the Federal Government of its obligation to extend financial assistance to the province in respect to services which, though they come under provincial jurisdiction, have a direct influence on the national well-being.
- (3) Development of the economic resources of the province.

* * *

3. The Allocation of Tax Fields

It is evident that the fields of taxation allocated to the Federal and Provincial authorities respectively at the time of Confederation did not anticipate the conditions which have developed.

In accordance with the best traditions of a federation of states, only those functions which it was considered could be carried out best on a national scale were allocated to the central government, while the remainder of the responsibilities of government were reserved to the provinces. (The decentralization of authority for the purpose of enabling the electorate to exercise the maximum control through the governing body nearest to them is, of course, a basic democratic principle).

The matter very properly reserved to the provinces included the entire field of social services, and property and civil rights. Thus, it was clearly the intention that the provincial legislature should discharge the main functions of government. For this purpose they were allocated what was at that time considered the adequate field of direct taxation, while the Federal Government was given exclusive use of the field of indirect taxation, with power to levy direct taxation if necessary. Actually the Federal Government left the field of direct taxation almost exclusively to the provinces until the last war.

During the early years of Confederation the provinces found the field of direct taxation adequate for their revenue requirements. At that time there were few social services such as have developed under the growing needs imposed by economic conditions and the pressure of popular demand.

The inadequacy of the financial system to provide the means for financing the war of 1914-18 resulted in a seven-fold increase in the national public debt. The Federal Government which had invaded the field of direct taxation for war purposes, found itself compelled to continue in that field after the war in order to obtain adequate revenue—chiefly to service the public debt and to meet the other obligations incurred under war conditions and which had to be continued into the post-war period.

With the development of the national economy, of the cultural life of the emerging nation and the growth of population, provincial legislatures found themselves called upon to provide increasing social services—in education, communications, and social welfare. In order to meet the costs of large-scale capital development telephone services, highways, schools and other public buildings—provincial governments incurred very substantial debts, which, of course, became an increasing charge on their revenues.

A similar condition developed in the national field, on account of railroads, postal services and capital requirements for those functions carried out by the Federal Government.

The growing national and provincial debts, and the accompanying progressive increase in taxation had already reached the point where they constituted a problem, when, as a result of the defective financial structure, the country was plunged into an acute economic crisis that was almost universal in scope. The provinces were faced with the responsibility of dealing with the conditions of large-scale unemployment and destitution, without having the means of doing so. Being dependent upon direct taxation for their revenues, and therefore dependent upon the buoyancy of the economy, they found that the very conditions with which they were expected to cope had robbed them of the revenue to meet their responsibilities.

In passing it should be noted that the provinces had the responsibility for meeting crisis economic conditions which were the result of **national** policy.

By increasing their already inflated debt structures, and by means of grants and loans from the federal treasury, the provinces and local authorities, faced with financial bankruptcy, were unable to meet the emergency in an adequate manner. But it brought to a head the growing problem of public finance and the total inadequacy of provincial revenue to meet their increasing responsibilities.

With the outbreak of war on a scale unprecedented in human history, and which, from the outset, was likely to make demands on the nation's resources on a scale that would strain an economy that was still suffering from the results of the depression years, the Federal Government sought to limit the revenues of the provinces in order to exercise complete control over the financial structure. Under pressure of war conditions, the provinces entered into agreements with the Federal Government to surrender to the latter for the period of the war the entire field of income and corporation taxes in return for grants based upon provincial revenues from those sources during the preceding year. Federal taxation in these fields was stepped up to the present maximum limits and concurrently indirect taxation was increased likewise to yield a maximum revenue to the Federal Government.

With the enormous national debt which has been created during the present war, together with the obligations for the post-war period that have been incurred by the Federal Government, there is little prospect of that government withdrawing from the field of direct taxation after the war. Yet, if it does not do so or alternatively if the provinces are not provided with supplementary sources of revenue, it will be impossible for the latter to discharge their constitutional responsibilities. That is the situation of urgency which must be faced by all governments.

There is a tendency in some quarters to suggest that because the provinces have been forced into the position of being unable to discharge adequately their constitutional responsibilities through lack of revenue, owing to a defective financial system, those responsibilities should be re-allocated to the Federal Government. This argument is untenable.

In the first place the transfer of the authority which accompanies these responsibilities from provincial governments would constitute a centralization of power which would strike at the very roots of our democratic constitution, and carry the nation along a road leading towards control centred in Ottawa.

In the second place it is fantastic to suggest that the constitution should be changed to fit the defective financial system. Rather should the financial system be remedied to meet the requirements of the constitution.

Finally, so long as the Federal Government fails to discharge its main responsibility for the operation of the country's monetary system in a manner which will serve the national interest, it is unlikely to fulfil any additional responsibilities that may be allocated to it.

4. Social Services, Conservation, Irrigation, Etc., and Federal Responsibility

Most of the projects being suggested as post-war reconstruction measures properly come within the sphere of provincial responsibility. Actually provinces lack the financial means for giving effect to them. However, on closer examination we find that in point of fact the responsibility for providing the necessary funds to finance most of these objects should, in equity, be assumed without question by the Federal Government.

These projects fall into two groups:

- (1) Conservation, Irrigation, Housing, etc.
- (2) Education, Health Services and Social Welfare.

The main justification of the former is their social usefulness but an important subsidiary purpose is to provide a cushion of necessary public works schemes during the transition from a war to peace-time economy for employing manpower which cannot be used immediately in economic activity. Viewed thus, it is essentially an aspect of the war effort, and just as the demobilization of the manpower in the fighting services and their re-establishment in the economic life of the nation is a federal responsibility, the same principle applies to the adjustments in the economy rendered necessary by the cessation of hostilities.

Viewed from another angle, but for the insistence of the Federal Government that the monetary system comes under exclusive federal jurisdiction, and its refusal to exercise its authority to remedy the defective features of that system, the financing of such irrigation, conservation, housing and similar projects would present no problem.

Then again in regard to education, health and social welfare measures, while these are essentially provincial responsibilities under the constitution, the Federal Government has an inescapable responsibility in regard to providing substantial financial assistance to the provinces in respect of these services.

In the first place the standard of education in each province directly affects the national culture and every other aspect of the national life. Its effects are national in scope.

Similarly the scope and quality of public health services are nation-wide in their effect—a fact that is very apparent in wartime, but is of equal importance in peace-time.

The same is true of social welfare measures; besides these being rendered necessary almost entirely because of the destitution, poverty and insecurity resulting from the economic conditions created by the operation of the defective financial system and monopoly control, in the final analysis the responsibility must be assumed by the Federal Government.

Finally, it is because of the extent of the Federal Government's intrusion into both the direct and indirect fields of taxation which renders it impossible for the provinces to obtain adequate revenue from the only sources available to them in order to finance measures rendered necessary by the actions—or rather the inaction—of the Federal Government.

Thus, from whatever angle the matter is viewed in the light of the factual circumstances, the province is justified in seeking very substantial Federal aid for financing those post-war projects designed to cushion the transition to a peacetime economy which can be considered properly as being national in scope, and for financing an expansion of necessary social services which likewise could be considered national in their effect on the life of the country.

* * *

5. Development of the Provincial Economy

Up to this point we have dealt with only the factors involved in the period immediately following the war, on the assumption of, substantially, the existing population of the provinces and the emergence of relatively sound and buoyant economic conditions. As we have shown, in the absence of a drastic and constructive reform of the present defective financial system, it will be impossible to finance any effective scheme of post-war reconstruction on a national scale, and conditions will automatically develop towards national economic collapse.

Although the provincial economy cannot be safeguarded completely against the disastrous consequences of a general economic depression, the effects of the latter on Alberta can be minimized to a considerable extent by proper preparatory action. The basis of this would be an intensive development of the provincial economy.

At the present time the province is almost entirely dependent upon its primary industries—principally agriculture—which, in turn, are dependent upon outside markets over which they have no control. The primary industries are always the first to feel the effects of a depression, and because every aspect of the economic life of the province is dependent on these, the effect on the entire provincial economy is immediate and disastrous.

Thus, the province is extremely vulnerable to external economic conditions. This would not be the case if the economy were more balanced, possessing manufacturing and other secondary industries serving the local market and a greater diversification of agricultural and mineral production. This is a possibility only to the extent that the province possesses the resources for such development.

There is possibility no part of the British Empire or the entire American continent with the wealth of resources and the potentialities for their development as great as that which exists within Alberta and the territory immediately north of the province, and the inclusion of which within the provincial boundaries is long overdue.

That the tremendous possibilities of Alberta's future are becoming recognized in various quarters is indicated by the following quotation from an article by Dr. Griffith Taylor, Professor of Geography, University of Toronto, in *Chatelaine Magazine* for February, 1945:

"I think it likely that in 100 years the population of Canada may be some 40 millions, since that is the rate at which other pioneer lands are developing.

"I think it likely that the area of densest population in the Dominion will have shifted to Alberta.

"I think that Alberta may become the most important province in the Dominion and that Calgary may surpass Ottawa and even rival London as a focus of the Empire.

"I believe that Canada will become an important 'way station' from the United States of America to Europe and Asia, when most of our rapid transportation will be by air.

"It is possible that the political centre of the Empire may even move from stormy Europe to the better-protected Canadian section of the Empire, where it will be well placed to join hands with the great American Republic in promulgating and defending the principles of democracy and liberty.

"I express these beliefs realizing that they may increase the criticism that has already been made proclaiming me a dangerous optimist to make such predictions. Yet I make these statements after a careful survey of all Canada and a lengthy comparison with such countries as Russia, which have similar climates, resources and topography.

"Why do I select Alberta as 'the land of promise' in the Dominion to come? Since the province with the biggest assets of coal is the province most likely to expand in the coming industrial age, it is obvious why I place Alberta first among the provinces of Canada in the next century. It is far ahead of any other part of the Dominion in coal resources which (in Alberta) are estimated at 600 million tons. This is the second largest deposit in the world, the largest being in the huge deposits of the Northern Rockies in the United States of America.

"The Alberta coal is of the lignite or sub-bituminous type; not the best in quality, but better than the brown coals of Europe which the Germans are using to such a large extent in modern industry. The Alberta coal fields contain considerably more coal than the combined coal fields of Germany and Poland which have led to the growth of the huge industrial populations of those countries.

"Coal means heavy industries. Deposits in Alberta have, as yet, been barely touched. Instead of small towns like Lethbridge and Drumheller, the present coal centres of Alberta, a century hence may well witness these towns as veritable Pittsburghs and Buffalos, for there is more coal in Alberta deposits than in the Pennsylvania fields. With the anticipated technical advances throughout the world, these cities could be clean and beautiful, even as coal-producing centres.

"Many may argue at this point that coal is of no use without other industries. It is true that in most present-day industrial regions coal and iron go hand in hand. This lack in Alberta might be overcome by emulating what the Russians have done, when they carry iron from their deposits in the Urals to the coal fields in Kuznetsk, 1,200 miles to the east, and vice versa. Or a similar scheme to that worked out in Russia and Germany might be effective,

namely of gasifying the coal right in the mines and piping it out to produce electricity. This method would eliminate many transportation difficulties.

"Though fortunate to have them, I do not feel that Alberta's oil fields will make any great contribution to the future I predict for that province. They are negligible in comparison with another natural resource there—the tar sands at Fort McMurray which lie some 300 miles north of Edmonton. Here are resources of bitumen, in which, some American geologists state, enough oil exists to supply the world for more than a century. It is fair to add that Ottawa authorities are much less optimistic. Extraction so far has been difficult, but the sands will prove invaluable in the future development of Alberta."

Any large scale development of the provincial economy would, of course, be accompanied by an influx of people and monetary capital, and would tend to build up with increasing momentum **provided that it yielded attractive results to those coming to the province, and those investing their money in the development projects.**

It would, therefore, be essential that any such development shall be orderly and economically sound, and that it should be free from any of the destructive features accompanying wild speculation and commercial imperialism under monopoly or combine control. Therefore, a definite and clear-cut policy should be laid down in regard to development, and it should be rigidly observed in the face of every kind of pressure from outside influences.

The first step towards securing such orderly development of the economy would be an adequate campaign of publicity in those quarters where it would have the greatest effect—such as England, the United States and Eastern Canada. Such a campaign should publicize the resources of the province, the types of industries which could be operated, the markets they would serve, the investment opportunities, the inducements to the individual industrialist, worker or investor and the general policy of development. The basis of this policy should be the encouragement of the small industrial unit and the discouragement of large scale industries.

Concurrently, the repeated requests by the province for the extension of its northern boundary should be renewed.

* * *

6. Provincial Credit Structure

In considering the development of the provincial economy, it is necessary to examine the credit structure available to finance an expanding economy.

The credit structure is at present serviced in the main by the Chartered Banks with the Government Treasury Branches system providing a supplementary service. However, the latter so far having been limited in their operations by lacking the scope of creating money by pyramiding a credit-loan structure on the basis of their cash deposits, the chartered banks actually control the monetization

of the real credit resources of the province—i.e., the ability to produce wanted goods and services.

Therefore, under existing conditions, any person or concern bringing monetary capital into the province for purposes of developing its latent resources would be dependent upon the policy of the chartered banks for securing adequate credit facilities.

This could have very disastrous consequences, for in the event of an economic depression the policy of the banks would be dictated, not by the conditions existing in Alberta, but by considerations of conditions throughout the country.

The chartered banks operating in the province are merely branches of institutions whose centre of operations and interests are located in Eastern Canada. Monetary policy, their policy regarding loans and all matters relating to their functions are dictated by circumstances existing throughout Canada, and mainly in the East. The effect of this would be that, notwithstanding local conditions in the province—even if these were booming under the stimulus of orderly development and an expanding local market—any deterioration in economic conditions in the national economy, and more particularly in the East, would be transmitted to the province immediately through the banking structure. That is one aspect of the matter.

However, there is another which is even more serious. Because of the existing interests of the banks being centred in the East—and in the industries and commercial corporations located there—they are not likely to be sympathetic to any large scale industrial development in this province. Then again, assuming that this prejudice could be overcome, there would remain the natural tendency, as economic conditions generally deteriorated through the operation of the defective monetary system, for the banks to sacrifice the new and struggling concerns engaged in the development of the province—in which they would have a very limited interest—in favour of the major industries and those concerns in Eastern Canada in which they have very substantial interests.

If the external economic deterioration which is inevitable were permitted to be transferred to the small and newly established industrial forms engaged in the development of the provincial economy, with very substantial loss to the investors and operators concerned, it would not merely bring the process of development to a halt, but it would set back the prospects of future development (which will be so promising at the end of the war) for, perhaps, a considerable period.

Under the B.N.A. Act "property rights" are reserved exclusively to the provinces. If the term has any meaning it must be that the people of each province have the autonomous right to organize the use of their property—which includes resources—in any manner they desire. Therefore, in our view, it is strictly contrary to the constitution that chartered banks should be in a position to halt development, or restrict production at will by restricting monetary facilities they are prepared to provide for these purposes.

However, the same arguments do not apply to the Government Treasury Branches system. It is an institution existing to serve the

people of this province exclusively; its policy is dictated by local conditions entirely and its operation is responsible to public opinion within the province, and to no vested interests.

Because of the restrictions under which the Treasury Branches operate at present in regard to the creation and issue of monetary credits, and the existing dominant control over the credit structure exercised by the banks, the benefits of these features and the potentialities of the Treasury Branches in serving the economy are limited.

This limitation exists to the extent that the people of the province do their business through the externally-controlled chartered banks. These institutions exercise their control over the economic structure only to the extent that they handle the monetary transactions off the economy.

If the Treasury Branch system were developed to the point that the bulk of the business within the province was being done through this channel, then the control of the provincial credit resources would pass from the chartered banks to the Treasury Branches—and to the extent the volume of monetary transactions done through the Treasury Branches increased, that control would become increasingly effective.

In these circumstances it would be possible to ensure that the economy of the province would be insulated to quite a considerable extent, from the effects of external economic conditions.

For example if the chartered banks, faced with deteriorating economic conditions (brought about by the operation of the defective monetary system) embarked upon a general policy of deflation, and well-conceived and sound economic development was proceeding in Alberta, the Treasury Branches could continue to service the economy with adequate credit facilities—and, if rendered necessary by emergency conditions, they could be used to fulfill all the functions of the chartered banks within the province, thereby providing effective protection to the economy **to the extent that local economic development had progressed to the point of providing for the provincial market.**

Bearing in mind the inevitability of economic collapse if the existing defective monetary system is continued into the post-war period as the basis for a reconstruction of the economy, the importance of the foregoing considerations cannot be stressed too emphatically.

At the present time the deposits of the Treasury Branches are about twenty million dollars. The expansion of business has been steady, and has proceeded with increasing momentum in spite of the limitations imposed by war conditions and the relatively small number of branches which it has been impossible to increase during the latter years on account of the difficulties of obtaining adequate staff.

With an expansion of branches, more effective advertising and an understanding by the people of the importance of building up their Treasury Branches system, it should be possible to accelerate the development of this public service to the point that it would be increasingly equipped to assume the responsibilities of serving the economy in a general economic crisis.

It is in the light of the foregoing considerations that we submit the recommendations which follow and which should be considered merely as an alternative to those already submitted in Part V of this Report; in the event of failure by the Federal Government to carry out the necessary measures of national financial reconstruction.

RECOMMENDATIONS

Provincial Action within the Limitations of the Existing Financial System

Everything possible should be done to impress upon parliament, the responsible federal authorities and the general public the serious defects in the present monetary system and the disastrous implications involved, and, pending an effective national reconstruction of the monetary system, we recommend:

1. That a survey be made of the existing provincial tax structure, and the possibilities be explored of replacing the present complex system of taxation, involving a multitude of taxes, by a more simple system of raising revenue on a basis which is equitable, taking cognizance of the constitutional limitations that exist.
2. That representations be made to parliament, through the Federal Government and in conjunction with the other provinces if possible, for a readjustment of the field of taxation allocated under the B.N.A. Act, without infringing upon the autonomy of the provinces and specifically:
 - (a) That the Federal Government shall either withdraw entirely from the field of direct taxation, or preferably, subject to clause (b), provide the provinces with block grants, computed on an equitable basis, to supplement their restricted revenue.
 - (b) That in the event of the Federal Government remaining in the field of direct taxation, the provinces shall be permitted to enter the field of indirect taxation, subject to clause (c).
 - (c) That, if the foregoing adjustments are carried out, a definite allocation should be made, on an equitable basis, of the extent to which either the Federal or Provincial Governments may utilize the fields of direct taxation.
3. That representations be made to parliament, through the Federal Government, and in conjunction with the other provinces if possible, for a recognition by parliament of its responsibilities for providing funds to finance, in whole or in part according to circumstances, post-war projects and social services which can be properly considered as being national in scope, though coming within the constitutional jurisdiction of the province and specifically:
 - (a) Irrigation.
 - (b) Conservation.
 - (c) Settlement of undeveloped districts.

- (d) Other public works national in scope, and those necessitated by national economic conditions.
 - (e) Education.
 - (f) Health Services.
 - (g) Social security and welfare measures necessitated by national economic conditions.
4. That the application of the province to parliament for an extension of its northern boundaries be renewed, and strong representations be made for early action in the interests of the orderly development of that northern territory immediately following the war.
 5. That early action be taken to give adequate publicity where it will be most effective to the opportunities for investments and for commencing new industries, which exist in this province—and such publicity to be directed specifically to Eastern Canada, Great Britain and U.S.A.
 6. That a definite policy for the development of the provincial economy be laid down based upon the encouragement of small industrial units which will serve the local market and expand only as the difficulties of competing in external markets can be overcome.
 7. That every encouragement be given to agriculture within the province to produce a greater diversity of products.
 8. That representations be made, in conjunction with the other provinces if possible, for an adjustment of the freight rates structure to provide for all-Canadian products being transported at a substantial reduction of the existing freight charges, the consequent loss to the railway companies being made good by means of a federal subsidy.
 9. That machinery be set up to safeguard investments in approved development projects in the province, so that investors will have the assurance that the finances of such projects are under proper supervision.
 10. That the Treasury Branches system be expanded and properly publicized.
 11. That the present methods of presenting the public accounts of the province should be revised, and that a system of accounts should be introduced to give the public a complete picture, in monetary terms, of the entire economy—including the capital assets of the province, production, consumption and other relevant information which would be required in the event of a national economic emergency throwing this province into a position of complete dependence upon its own resources.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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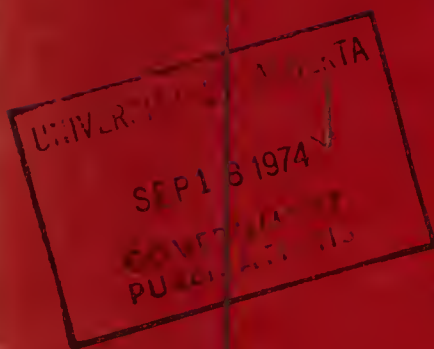
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Alberta Post-War Reconstruction Committee

REPORT of the Subcommittee on INDUSTRY

- ◆ Present Industries.
- ◆ Conversion of War Industries.
- ◆ Establishment of New Industries.
- ◆ Markets and
Inter-Provincial Trade.
- ◆ Industrial Electrification.
- ◆ Tourist Industry.
- ◆ Stabilization of
Industrial Employment.
- ◆ Collective Bargaining,
Labor-Management Relations.
- ◆ Wages and Working Conditions.
- ◆ Training for
Industrial Employment.

March
1945





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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
 2. Alberta Post-War Survey.
-

INTRODUCTION

The Post-War Reconstruction Committee was established with passage of the Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Mr. A. J. Hooke, M.L.A.

By Order in Council Number 1004/43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943 are detailed in the Interim Report, presented to the Lieutenant Governor-in-Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and uncompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Mr. Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the sub-committee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the sub-committee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a province-wide survey of household, farm, business, industrial and municipal programs for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labor organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. Today the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

Today, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavor, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator. And yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial, and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. And one of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein become the property of those who use them to create and acquire more property. Thus, the fruits of their labor become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it today; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized today, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces: policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple: it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavor to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally as obvious is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this: to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favored freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labor-saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labor, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labor-saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created. And since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfillment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee or persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have labored at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor-in-Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

December 18th, 1944.

*Honourable A. J. Hooke,
Chairman,
Post-War Reconstruction Committee,
Edmonton, Alberta*

Honourable Sir:

I submit herewith the final Report of the Subcommittee on Industry for the consideration of the General Committee.

Yours faithfully,

*C. E. GERHART,
Minister Trade and Industry
Chairman Subcommittee on
Industry.*

INDUSTRY

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Issued by The Alberta Post-War Reconstruction Committee
Parliament Buildings, Edmonton, Alberta.

Report of the Subcommittee On Industry

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In submitting its report to the Post-War Reconstruction Committee, the Subcommittee on Industry wishes to stress that the information compiled herein has been received from numerous sources and by means of powers vested by legislation in licensing officials, inspectors, administrators, statistical investigators and others employed in various Departments of the Government. The details pertaining to each finding and from which each has been compiled are of a strictly confidential nature. Some have been obtained under the terms of various Acts which provide severe penalties for misstatements of fact and are, therefore, the most accurate that can be obtained. The subcommittee, as such, does not have access to these details but some members of the subcommittee, as authorized employees of the Government to administer such matters, do have access to them and through such members, the subcommittee has been able to obtain totals and other statistics which, although deemed to serve the purposes of the Post-War Reconstruction Committee do not infringe in any way upon the strictly confidential nature of the facts as they pertain to private individuals, companies, corporations or others.

The subcommittee now reports that the surveys as set forth in the terms of reference have been completed in every case where completion has been possible and cover in all respects the latest available official statistics and reports upon:

(a) The orderly development and utilization of our natural resources and agricultural production;

(b) The manner in which the industrial requirements of our people may best be met;

(c) The provision of the fullest measure of industrial employment within the Province.

The surveys, as conducted under the direction of the subcommittee, cover;

1. **Present industries** and are complete in this respect to October 31, 1944.

2. **Conversion of war industries to peace-time needs** and are complete to the point where further information respecting federal policy on exports and foreign trade is necessary.

3. **Establishment of new industries** regarding which the subcommittee, believing that this is a continuing task, submits a proposal for the establishment of an Industrial Development Board under the Trades and Industry Act as described later in this report.

4. **Markets and inter-provincial trade** as far as possible as existing freight-rate and export conditions permit.

5. **Electrification as related to industries** as far as operations of the newly-created Alberta Power Commission has functioned and statistics regarding existing power facilities permit.

6. **Tourist industry** completely as pertaining to existing facilities and plans for expansion in accommodation as presently anticipated by resort operators, managers and others.

7. **Stabilization of industrial employment**, as far as this pertains to action which lies within the jurisdiction of the Alberta Government.

8. **Collective bargaining and labor management relations** as far as provincial experience coupled with a reasonable anticipation of future possibilities forecast by competent industrialists and Labor leaders.

9. **Wages and working conditions** as revealed by confidential information supplied by the Board of Industrial Relations.

10. **Training for industrial employment** as at present and as may be anticipated in the post-war period.

DEVELOPMENT AND USE OF PRODUCTION

The subcommittee is unanimously and emphatically convinced that the orderly development and utilization of our natural resources and agricultural production can be achieved and maintained only through an industrial economy based upon the principle of decentralization in industry. This can be accomplished only through rigid enforcement of good legislation both federal and provincial at present in effect, or to be enacted, to restrict where necessary and, in any event, regulate the operation of cartels, monopolies, combines or other organizational devices which have operated, do now, or may hereafter operate in restraint of trade. It has been proven by experience throughout all history upon occasions too numerous to mention that the communities which have thrived on a sustaining basis commensurate with the circumstances of their own economy have been those in which the raw products of the soil, the sea, the forest and the mine have been converted on the spot in local factories, plants or workshops for human consumption or to serve human needs.

Various methods have been tried in the past to establish industries in Alberta to meet the demands, at least of the local markets, under circumstances of reduced haulage charges which should result in either increased prices to the primary producer or reduced prices to the ultimate consumer. These efforts, whether undertaken by individuals, business organizations or under Government authority have not achieved their worthy objectives largely because they have lacked the necessary support of suitable federal legislation and have not always enjoyed the continuous active and financial support of the provincial government.

The subcommittee on Industry now suggests that an effort be made to strike at the root cause of the situation through the operation of a permanent Government body whose principal function will be to grapple with and solve many of these problems.

The subcommittee, therefore, recommends:

That, whereas promising indications exist that industrial concerns are interested in becoming established in Alberta and

Whereas organizing and follow-up effort is most essential in this respect,

The Department of Trade and Industry should be asked to establish an Industrial Development Board under the provision of the Trade and Industry Act to encourage and assist industrialists to become established in Alberta.

PRODUCTION PROBLEMS

This recommendation pre-supposes and anticipates the desire of the Legislature and the Government of Alberta to do everything practicable to establish new industries in this province and that their support of the endeavor will be forthcoming. It therefore becomes necessary to include in this report for their benefit, mention of some circumstances which will undoubtedly present themselves as obstacles which the proposed Industrial Development Board will encounter and in the eradication of which legislative assistance will be of great importance.

Some of Alberta's industries are operated as units in various combines. None are entirely monopolistic in the strict sense of the word but, in actually effective practice and owing to agreements existing in some cases, the results approach closely the conditions which might prevail were a monopoly to function in open operation. A small number operate under alleged cartel agreements which, if not now in effect will, more than likely, become effective after the war.

Largely as a result of these conditions neither Alberta producers nor consumers enjoy the benefits of reduced haulage charges on many articles manufactured in Alberta. For instance, in the case of one manufacturing concern operating in Alberta, its merchandize is quoted on the Alberta market on a basis F.O.B. Montreal which means that, although the goods are produced in Alberta, the prices in Alberta include the cost which would be involved were the product freighted from Montreal to Alberta.

In the case of another Alberta industry, which now manufactures products obtained prior to the war from a hostile foreign power, there are indications that its plant may be purchased and possibly closed by interests whose operations on the world market are so huge as to cause them to regard the operation of a plant in Alberta as uneconomical.

In the case of still another Alberta industry, the controlling interests have stimulated the production and processing of its raw products requirements in Alberta because of war-time shipping difficulties and hazards but, after the war for obvious reasons, it will pay them to reduce not only the local production but the processing of the product.

It will be clear, therefore, that legislative action, either federal, provincial or both, will be necessary to cope with these situations, and consequently

The subcommittee recommends:

That the Dominion Government under the powers of the Combines Investigation Act direct its attention to the maintenance of Canadian exports as they may be affected by cartels having particular reference to such plants as Alberta Nitrogen Products Limited, and further;

That the Dominion Government be petitioned to insist that, in disposing of chemical plants, with particular reference to the plant of Alberta Nitrogen Products Limited, after the war, it be made a condition of the agreement of sale that such plants be maintained in effective production.

In respect to freight rate and other haulage charges for example, it is an anachronism that in purchasing glass products made in Medicine Hat, the Calgary consumer is charged along with the initial production cost for labor, materials, overhead expenses etc. the cost of transporting the glass article from Montreal to Calgary while, on the other hand, the Montreal consumer obtains the same article on a price structure based upon the assumption that the article had been made in Montreal.

While this situation exists with regard to the Alberta consumer, the Alberta producer of primary products is confronted with the necessity of bearing, through reduced railroad prices for his products, the cost of marketing in competition with tide water quotations.

Likewise, the Alberta manufacturer must pay the heavy long-haul charges on materials which he must import. For instance, an Alberta cannery must pay a freight rate of \$1.16 per hundred pounds on empty cans imported and this charge must be reckoned in the arrangement of a price schedule that must, if indeed it can, compete with eastern canned goods on the prairies to the east, and with eastern canned goods shipped by water routes to the Pacific coast. In passing it may be mentioned that the solution to such a problem lies in the local manufacture of containers and the subcommittee is fully aware of the possibilities for establishing in Alberta industries for the manufacture of containers if not of tin, possibly of plastics or glass and all available information pertaining to such an industry will be placed at the disposal of the proposed Industrial Development Board or other authorized government body, but the question at the moment concerns freight rates.

Therefore it is recommended :

That the Post-War Reconstruction Committee request the Department of Railways and Telephones to undertake a complete investigation into, and to report to the Post-War Reconstruction Committee on, the freight rate problem as it affects Alberta's economy with a view to obtaining an equalization of freight rates within Canada as soon as possible and with a view to abolishing the so-called construction rates in Alberta and ; further that full publicity be given to the findings of the investigation.

ATTITUDE OF LABOR

The factors of industrial control and transportation considerations having been reported, the next and most important aspect in the orderly development and utilization of our natural resources and agricultural production involves the attitude of Labor to these problems because industrialists can not be expected to become established in Alberta if production schedules may be frequently upset or disorganized by dissatisfied workers. In this respect, Alberta stands in a most happy position and this subcommittee feels that, supported by the experiences and operations of the Board of Industrial Relations in administering the advanced Labor legislation of this Province and as a result of having a representative of Labor as a member of the subcommittee it stands in a solid position from which to make suggestions pertaining to matters involving Labor.

While it is by no means contended that Alberta's Labor legislation is a criterion, industrialists everywhere may be assured, upon the testimony of Labor itself, that it is the most practical and progressive of its kind in Canada. The subcommittee on Industry and, in fact, the Government of Alberta, has complete assurance that Labor appreciates that Alberta was the first province to effect collective bargaining as a legal procedure but, at the same time the subcommittee admits that because this was the first legislation of its kind it was not perfect. The amendments effected at the last session of the Legislature were fully appreciated by Labor but the very need for the amendments proved beyond question that improvements must be effected from time to time in order that legislation may be kept up-to-date with changing conditions.

The subcommittee on Industry is happy to report that Labor leaders agree that pleasant relations exist between management and labor in Alberta as a result of existing legislation but experience during the past year has proven that disturbances in industry may be created by differences which may arise within unionized Labor itself or, possibly, within organized management. Therefore, provision for stability in industry, in spite of internecine strife in labor or management, must be provided through channels of legislation.

Therefore ; whereas collective bargaining has been established in Alberta under the Arbitration and Conciliation Act

and has been accepted as a proper and satisfactory method of maintaining harmonious relations between industry and labor;

The subcommittee recommends that collective bargaining be continued and that legislation to keep it effective be studied continually with a view to improving its effectiveness and further;

That the principle be adopted that, when an agreement has been entered into by the process of collective bargaining, such agreement be binding for a minimum of one year.

The subcommittee believes that, while on the subject of Labor in its relation to the development of Alberta's industries, it is necessary to record for the benefit of the Post-War Reconstruction Committee, the existing viewpoints of organized Labor regarding fundamental questions as expressed by authorized Labor publications and spokesmen, and to submit to the Committee two resolutions arising directly out of, and depending fundamentally upon, the existing attitude of labor to the development of industries in Alberta.

The subcommittee, therefore, recommends:

That everything possible be done to encourage, in all industries, the establishment of joint labor-management relations committees as a means of promoting the development and prosperity of such industries for the benefit of employers, employees and for the economic progress of Alberta.

The subcommittee further submits;

That it is the view of this subcommittee that the stability of industrial employment will depend, in a large measure, upon the same factors which will govern industrial expansion in the post-war period namely, the provision of adequate capital and the assurance of stable markets and;

That funds should be made available for the establishment of new industries;

That federal income taxes should be revised to permit the establishment of funds for expansion and further to provide initial capital for the establishment of new industries into which the element of speculation enters;

That, as well as through other sources, provision should be made through the Industrial Bank of Canada to make additional capital available for the development of industries in Alberta and further;

That it is the constructive view of Labor in Alberta that it is desirable that conditions be maintained such as to encourage capital investment in Alberta with a view to ensuring the progressive development and use of the material resources of the province in a manner which will provide the highest possible standard of living consistent with Alberta's economic position.

This having been determined reliably as Labor's attitude toward industrial development in Alberta, it becomes neces-

sary, other factors considered, to discuss the problem of educating and training personnel to assume the responsibilities of management or labor in industry.

TRAINING PERSONNEL

In respect to training for management or executive positions in industry, the subcommittee on Industry is of the opinion that, generally speaking, the present system of elementary, secondary and university education in Alberta provides an excellent foundation for those of suitable ability and character who wish to enter the executive categories in industry but it is also the opinion of the subcommittee that existing educational facilities lack much which is to be desired as a means to prepare executives for the able leadership of men and an understanding of problems which confront the wage earners. Until such time as educational science produces a type of education equal to the products of existing experience, it will be obvious that the only means whereby the student aspiring to executive position may acquire a working knowledge of the problems of labor will be through experiencing those problems himself. Therefore, it is the opinion of this subcommittee that the apprenticeship system, for the time being, must provide such experience for all who enter industry regardless of their personal abilities, educational advantages, or attributes of character and leadership.

At this juncture, this subcommittee wishes to inform the Post-War Reconstruction Committee that it views with great satisfaction the fact that its recommendation of last year in this respect has been placed upon the Statutes of Alberta in the form of an Apprenticeship Act and expresses the hope that this Act will meet with the approval of industry, labor and the apprentices themselves. At the same time it is necessary to point out that methods of mass production do not train youth in the broad practices of the skilled crafts and it will be increasingly necessary, therefore, to retrain many of those who, during war-time conditions, have received only a partial training in these crafts.

Decentralization of industry, freight rates, labor relations and training depend, for the economic development of industries, upon another factor, namely markets and to this important problem, members of this subcommittee have given long and very careful study.

MARKETING PROBLEMS

Primarily, outlets for primary or processed Alberta products depend upon (1) the local market; (2) the export market and (3) the tourist market. The first is predicated upon the size of the local population and its ability to purchase. The second is predicated upon economic transportation facilities, the ability of Alberta producers to produce and sell economically in competition with goods produced elsewhere in the

export market, and upon the ability of those dealing in the export market to purchase. The third depends upon the volume of consumers who may be induced to come to Alberta as visitors.

The first, or local, market is reliably consistent accordingly as the local population has the power to purchase. At the present time, and for some time to come, it is and will remain a small market in comparison with Alberta's production of primary products. The third, which is considered more fully under the subject of the tourist industry, can be greatly and rather speedily developed by effective means after the war, but for the moment offers no immediate solution to pressing marketing problems. Therefore, it becomes necessary to concentrate upon problems arising out of the second, namely, the export market and conditions which pertain in relation to it.

It can be said without qualification that the greatest need in this respect is a clearly-defined, long-term federal marketing policy in respect to foreign trade. In view of the fact that foreign trade agreements come solely within the jurisdiction of the federal government, and since such agreements can be negotiated by no other authority in Canada, it is constitutionally beyond the powers of the Legislature or the Government of Alberta to do anything whatsoever about such matters. The most and, in fact, the only thing that the Alberta Government can do under the circumstances is to use every possible influence to induce the federal government to make arrangements pertaining to foreign markets which will bring the greatest possible benefits to Alberta's primary producers and allied industries and, further, through favorable publicity, the encouragement of a high standard and quality of products and the rendering of impeccable service to create a demand for Alberta's goods in the distant markets of the world. Indeed, by planning involving suitably progressive promotional methods coupled with ethical standards, it is not difficult even now to vision a time in the not too distant future when the name of Alberta as applied to products of our farms and our factories will vie for terms of excellence with those of Teviot, Tweed, Paisley, Birmingham or Leeds.

However, be these things as they may, the fundamental necessity in the establishment of export markets for Alberta's products, whether of a primary or a processed kind, depends upon federal policy and action in respect to foreign trade agreements.

One exception, perhaps, exists, namely: the outlets which may be provided through the development of Canada's vast northern hinterland. Who, sixty years ago with the completion of the first trans-continental railway, would have predicted that Alberta would, today, be a principal market for the agricultural implements and other manufactured products of Ontario's factories? Today Alberta stands in respect to the North exactly as Ontario stood then in respect to Alberta except that, whereas it has taken sixty years for us to reach

our present development through the somewhat slow process of peace-time procedure, the North, through the dire necessity of war, has been forced within a period of four years into a state of industrial and commercial development which might otherwise have required a century to attain. These and other matters, this subcommittee feels, must compel the serious consideration of those who would develop Alberta industrially and it is fitting now that the Alberta Government together with all Alberta's industrial interests including all phases of agriculture, trade, and commerce, be awakened to the full significance and all the possibilities that lie in store for Alberta with the development of the North. Those markets which have been born there require the nourishment of rapid and inexpensive transportation in the form of good highways and rail facilities from Alberta, otherwise outlets from this large region through northern and western ports may be developed first. The subcommittee respectfully submits these matters for the earnest consideration of the Committee with the sincere hope that the Committee will include within its ultimate findings and recommendations ample proof, to convince those to whom it shall report, of the importance of the north as an immediate and neighborly outlet for Alberta's primary and processed products.

HOW TO MEET REQUIREMENTS

The industrial requirements of the people of Alberta are, by far, too numerous to mention. Therefore, in reporting upon this term of reference, the subcommittee on Trade and Industry has decided to submit considerations which, though general in character, can be applied in principle to specific circumstances.

After due consideration, the subcommittee is prepared to state that there does not exist in Alberta a solitary citizen who, after five years of war, does not require one or more of the products of industry known commonly as consumer goods. The problem is not essentially one of creating consumer desire, of breaking down sales resistance or of establishing confidence in a product. It is essentially a problem of presenting to the consumer all ranges of consumer goods within price schedules commensurate with the purchasing power of the consumer and in harmonious trade balance with the economy of the community however extended or confined.

The subcommittee is fully aware that, in reporting to the Committee on a problem expressed in such abstract terms it is virtually impossible to discuss, to the full and complete satisfaction of everyone, all the factors involved in concrete phraseology but, in an endeavor to achieve this objective so far as it falls within the terms of reference, the subcommittee submits the opinion that the industrial requirements of our people may best be met through a process of industrial production which places at their disposal, according to their need, the necessities of life with the added enjoyment of assurances of economic security with freedom coupled with

a high standard of living comforts, health services, and educational facilities limited only by the economic resources of the province and regardless of the pecuniary income of the individual.

Since, doubtless, this subject will be covered for the benefit of the Committee by the subcommittee on Finance under its own specific terms of reference, the subcommittee on Industry deems it advisable to pass on to more obtruse aspects of the problem and state bluntly that the industrial requirements of our people may best be met through the establishment of local industries. The humble, squeaking grist mill, the beekeeper with his busy bees, the lowly cobbler with his simple last, the diligent, finger-weary spinner at her wheel, the careful weaver stooping over her hand-manipulated loom, the sturdy blacksmith at his anvil, the patient wood worker at his lathe, the stolid potter at his board—all these and many more as they carve out their destinies in supplying their neighbors with their daily needs mean, in the aggregate, more to Alberta and her future than all the mass production industries with their cartels, their monopolies, their combines, their interlocking directorates and their complexities of management and sales promotion.

In short, it amounts to this that, if, in the post-war epoch, Alberta is faced with the problem of rehabilitating her magnificently heroic returning active service men and women in industries, it may be the part of wisdom to help them become established in industries of their own and of whose destinies they, themselves, will be the masters, possibly on a co-operative basis and, further, it may in wisdom be the policy of the Alberta Government to so encourage them by way of subsidy or bonuses or by other means that, despite the opposition of powerful competition they may be able to thrive and prosper and indeed, pass on to their progeny their skill and proficiency with the assurance that future generations, too, may thrive and prosper.

It has been with complete cognizance of all the aspects of developing and expanding industries in Alberta that this subcommittee has recommended the establishment of an Industrial Development Board in Alberta, in order that through its operations industries, however small or local in character, may become established on a permanent and reasonably profitable basis.

As a subject for consideration, and one which has not escaped the attention of subcommittee, the question of aviation may be cited as an example of post-war industrial development possibly on a co-operative basis. Even while this report was being prepared, there sat in Chicago a body of representatives of interests concerned with the development of aviation and matters pertaining to its administration. But this subcommittee respectfully submits that aviation, by its very nature, resolves itself jurisdictionally into zones.

The first air zone is the entire world. That pertains to inter-continental routes, traffic and regulations. The second

zone so far as we are concerned, is Canada and that pertains to aerial traffic as between and over provinces. The third zone relates to operations of an inter-provincial character for example, as pertaining to operations between and involving only our own neighboring provinces. The fourth zone pertains to flying solely within the borders of this province. This last zone can be compared, possibly, with existing taxicab operations in relation to automobile transportation. For instance, what about an aero service which seeks only to supply transportation from Edmonton to Jasper or from Wainwright to Red Deer? What about the aero taxi service which operates after the war to transport passengers from any point in Alberta to any other Alberta point in much the same manner as a taxi driver in Calgary may operate to transport persons from one point to another in Calgary? The question, therefore has arisen as to the possible requirements of aviation personnel and therefore the possible employment openings which may be available to pilots, air and ground crews and administration personnel through the development of aero taxi and transportation systems operating solely within the boundaries of Alberta.

It is the considered opinion of this subcommittee that aviation matters of local significance should be administered by the provincial government.

The instance of aviation presents, of course, only one aspect of industrial development which may be expected to arise after the war as a result of war-encouraged scientific progress. Many others of a similar character have already arisen and more may be expected to arise. They will require the constant attention of a permanently established, non-partisan body such as the proposed Industrial Development Board.

FULLEST MEASURE OF INDUSTRIAL EMPLOYMENT

In many respects, the terms of reference relating to the manner in which the industrial requirements of our people may best be met and relating to provision of the fullest measure of industrial employment within the province are correlated. The fullest measure of industrial employment within the province can be provided only by the establishment of the largest possible number of permanent industries and such an achievement depends largely upon the conditions already mentioned, namely, the decentralization of industries, arrangement of equitable freight rates, establishment of permanent harmonious labor-management relations, efficient training of personnel, establishment of stable markets, maintenance of adequate purchasing power commensurate with the economy of the locality, and so forth.

In order to enable the Post-War Reconstruction Committee to appraise the possibilities involved in the fullest measure of industrial employment within the province, the subcommittee, as explained in the opening of this report, submits the following information under the various headings as set forth in terms of reference:

PRESENT INDUSTRIES

In directing the attention of the Committee to the survey of present industries, submitted under separate cover this subcommittee points out that, while the statistics contained therein are complete, in toto to December 31, 1942, they also contain, where they have been available, complete information for 1943. Furthermore, the Department of Trade and Industry, through its statistical branch, receives monthly reports covering many branches of industry and these, at the time of compiling this report, are complete to September 30, 1944. The complete survey as it pertains to 1942 and 1943 entailed a tremendous amount of work. The typing of the survey alone, required more than a month. The compilation of these statistics, even under terms of legislation which makes the submission of returns obligatory under law, has been handicapped greatly by the shortage in many industries of competent and sufficient office personnel. Despite these facts, the statistical branch of the Department of Trade and Industry reports that it is now three months ahead of last year's performance and may be able to present another complete survey within ten weeks.

For the purpose of bringing the committee up to date, a compilation of existing statistics on Tuesday, December 12 showed that Alberta's population was 61.49 per cent rural (including those of school age or aged and not gainfully employed). The remainder or 38.51 per cent of Alberta's population was employed in professional, business, transportation, communication or industrial pursuits (including those not gainfully employed such as children, aged or retired.) The compilation, as of that date, indicated that those gainfully employed in industrial pursuits (exclusive of population un-gainfully employed) represented approximately only 5.56 per cent of Alberta's population.

The point of these facts is that, after taking into consideration widely diversified opinions regarding what is required to balance Alberta's economy and after conceding that to reach a balance as between agricultural and industrial production a minimum of 10 per cent of the population should be gainfully employed in industry, it is self evident that Alberta's industrial percentage could be doubled and this would provide gainful employment for at least 44,500 more persons and bring Alberta's economy into a more desirable balance as between agriculture and industry or as between primary production and processing.

With that figure in mind, it is interesting to note that, on December 12, 1944, enlistments from Alberta for general service including army, air force and navy totalled approximately 59,000 of whom approximately 4,000 were women and 55,000 were men. On that date, discharges of disabled or low categorized personnel from general active service totalled 9,525. This does not include personnel killed, missing believed dead, missing, or wounded and likely to be discharged

as unfit. The figures covering these persons are not available but it is estimated at 10 per cent of those presently actively enrolled as general service or approximately 4,500 persons. Therefore, were the war to end today and all presently fit personnel who enlisted in Alberta were to return, they would total approximately 45,000 or only 500 more than, it is estimated, could be employed in industries in Alberta without altering materially the balance of Alberta's economy.

It is clearly evident, therefore, that, in view of the fact that a considerable percentage of returning active service personnel will seek and find employment in agriculture, there should be no shortage of jobs for returning personnel if warranted industrial development takes place.

The subcommittee has obtained and submits for the consideration of the Committee the latest available statistical report covering the first nine months of 1944 and showing comparisons between this year and 1942 and 1943. This report indicates the trend of industrial business from the survey which is complete in respect to 1942. It will be noticed that the report to the end of September 1944 (pages 1, 2, and 3) registers many more increases than decreases. Therefore, it may be advisable to regard the complete survey covering 1942 as an under, rather than as an over-estimate of conditions in industry in 1944 with, possibly, exceptions where oil and coal productions are concerned. In the case of oil it is encouraging to note that while the decreases have been due largely to the natural decline of production from wells in Turner Valley, these decreases may be offset in the near future by increasing production from a number of other newly discovered fields or fields undergoing development expansion. While encouraging strikes have been made on the prairies the newly completed Shell well on the Jumping Pound is of special interest because it may establish another field of Turner Valley capacity.

It will be noticed that the completed survey, in respect to coal has been completed to the end of 1943 and that this shows a small but encouraging increase in the percentage of persons employed. However, it should be remembered that the mining industry is Alberta's largest employer of labor and provides Alberta's largest industrial payroll. Maintenance of this valuable asset to Alberta's economy depends entirely upon the maintenance of markets and this, as is well known, requires continued and persistent diligence and effort.

In concluding this section pertaining to the presentation of the survey of present industries, the subcommittee wishes to stress that the compilation of data is a continuing process which is being carried on week by week and month by month by the Department of Trade and Industry and other Government departments and branches. The organization and other facilities already exist and are functioning. If it is deemed advisable to broaden the scope of such compilation this can be accomplished speedily and without undue added expense and, furthermore, should the Committee require specific in-

formation pertaining to matters of any particular industry, the subcommittee has the assurance of the Department of Trade and Industry that such information will be readily supplied.

CONVERSION TO PEACE TIME NEEDS

In broad terms, it may be rightly considered that Alberta is in a fortunate position regarding the conversion of war-time industries to peace-time needs because, in the majority of cases, such industries were, in the first place, peace-time activities which were converted to war-time purposes. The outstanding exceptions, of course, were the establishment of Aircraft Repair in Edmonton and the expansion of private flying companies into units of the Commonwealth Air Training Plan. The conversion to peace-time needs of many other industrial institutions which have been engaged in war work is already well under way and in some instances has been completed.

The completion of the air training plan did not entail the lay-off of large numbers of permanently-employed personnel because this personnel was largely a portion of the Royal Canadian Air Force or persons employed by private companies who have since gone back to their former positions. The huge training centres in some sections of the province will, no doubt, be abandoned but in the larger centres these installations are already in use as units in the over-all scheme of airway developments in western Canada. An example is to be found in the conversion of No. 2 Air Observer School in Edmonton to the use of the North-West Staging Route. Officials of Selective Service, who have taken the subcommittee on Industry into their confidence and have given splendid co-operation in the compilation of facts, indicate that personnel formerly employed by Aircraft Repair and other similar institutions and who have joined the North West Staging Route are now believed to be permanently placed. The permanency of these positions, of course, depends entirely upon federal policy but there are good indications that the North-West Staging Route will occupy an important place in Canada's economy as it pertains to the maintenance of international air routes after the war. In passing, it may be remarked that executives in air transportation have openly declared themselves in favor of developing the inland rather than the coastal air routes through Canada to Russia and the Orient because the route through Edmonton is much more free from fog than the coastal route.

Aircraft Repair, which has reduced its staff from a peak of somewhat more than 2,400 to less than 400 during the past year, will continue its present operations until about the middle of January. Any discussion regarding the conversion of this plant to peace-time needs at this time would greatly jeopardize possible developments. However, Selective Service has informed the subcommittee that with the exception of

those employees who were young and untrained before entering employment and with the exception also of some who were well on in years, nearly all the trained personnel who were laid off at Aircraft Repair have been placed in other jobs though all of these may not prove to be of a permanent nature. All skilled carpenters, electricians and mechanics have been so placed as have many expert welders, metal workers and others. A large number of women employed by the plant have not been replaced largely because, in the first place, they were housewives or domestics, store clerks and others who were engaged in war work solely as a temporary measure. Some women with special training and considerable experience have been sent to similar jobs in eastern industrial institutions. Selective service officials in Alberta concur with the previous remarks in this report to the effect that many youths who were trained to do piece work in such war-time industries but who, under methods of mass production have not been trained or become experienced in the advanced skills of their respective crafts will require careful retraining if they intend to continue in such crafts.

The unemployment picture on December 8, 1944, was that there were 1,713 vacancies for able-bodied males to fill principally in lumbering, railway operations and other jobs requiring untrained but physically fit men, and there were 942 male applicants for jobs but none was considered physically fit for heavy labor. Most of the applicants were reported as beyond the prime of life. There were 536 vacancies for women, principally domestics and there were 571 applicants, most of whom, it was reported, could fill the vacancies but, having been employed previously in war industries or clerical work were not inclined to accept the lower remuneration offered. This picture is changing continually from day to day. The exact figures pertaining to the situation are available to the subcommittee and to the Department of Trade and Industry, the selective service authorities having given their assurance of wholehearted co-operation in this respect.

In the instance of Alberta Nitrogen Products, it has been reported to officials of the Department of Trade and Industry that conversion to peace-time operations has been completed and the plant has been producing fertilizer for use in foreign countries for about one year. Officials of the company have expressed the opinion that these operations will be continued after the war.

The Ogden Shops of the Canadian Pacific Railway have sufficient war contracts to keep its present staff of approximately 1,150 employed on war production until December 31, 1945 and, then, according to present plans, the proposal is to convert the shops back to peace-time railway operations at once. This will provide permanent peace-time employment for approximately 750 men. The permanency of employment there is testified to by the fact that railway rolling stock, after five years of hard and constant usage, is in a state of much-needed repairs and a considerable amount of it will have to be replaced with new equipment.

A general survey of railway maintenance in Alberta indicates that a considerable volume of unskilled labor will be in demand immediately after the war because, while road beds, bridges etc. have been maintained at a fairly high standard, plans are under consideration for the laying of completely new construction in some places as soon as possible. In view of considerations involving right-of-way negotiations in some localities, it is inadvisable at this time to discuss details but the subcommittee is assured, through information obtained by the Department of Trade and Industry that such works may be extensive. Further information may be supplied possibly through the subcommittee on Public Works.

The plant of the Dominion Glass Company at Redcliffe has been expanding its production steadily since 1929 and has now reached the position where additional plant facilities are required to enable further expansion. The management has assured the subcommittee on Industry that capital will be available to completely modernize the plant after the war. To be on the conservative side, it is reported that tonnage production presently reached may be expected to decrease somewhat but not sufficiently to affect the employment of the 340 semi-skilled personnel presently employed. The plant is now engaged almost exclusively in the production of glass containers but plans are under consideration for the expansion of activities to include production of plate glass, glass bricks and insulation materials for construction purposes, and glassware for household and industrial use.

Other industrial establishments report similarly healthy conditions which are factual rather than suppositional and indicate that, even now, they are operating on a foundation which may reasonably be expected to carry them well into the peace-time era. This is so in the matter of bedding and clothing. Great Western Garment, Alberta's largest work garment industry, has received substantial orders which will ensure employment in industry for approximately 500 employees after the war. An Edmonton soap manufacturing concern has received large orders already from the United Nations Relief and Rehabilitation Administration.

Through the facilities of the licensing branch and the Board of Industrial Relations of the Department of Trade and Industry, this subcommittee has had access to a great volume of vitally important information covering numerous aspects of many trades and businesses. Monthly reports covering these matters are complete to the end of November 1944. It is not the intention of the subcommittee at this time to involve the Committee in detailed particulars of this great mass of information but rather to indicate, in brief summary, the picture as it stands. The survey covers retail and wholesale fuel oil outlets, grain buyers and commission agents, trade schools, auctioneers, automotive businesses, bakeshops, barbers and barber shops, dry cleaners, flour and feed outlets, funeral directors, hawkers and pedlars, junk dealers, packing plants, photo finishers, printing establishments, restaurants, retail and wholesale general merchandizing, saw mills, transient traders,

auto mechanics, diesel and internal combustion engineers, electricians, refrigerator and refrigeration machine mechanics, plumbers, gas fitters, gas welders and boiler mechanics.

The survey shows that for the eleven months ending November 30, 1939 the licenses issued totalled 20,355. For the similar period in 1944 the total was 21,692. The subcommittee interprets this situation as an indication of a healthy condition because the increase is not excessive but is large enough to indicate a steady growth in those business and trade activities which, not being concerned solely with production for war, are an integral part of our internal economy and rendering valuable services to the community on a stabilized basis. It may be added that, while the comparison given above deals with 1939, the comparative figure for 1943 was 19,910 which indicates that the position for 1944 is steady and not due to special circumstances.

All of the activities covered in this survey may be considered now to be on a reasonably stable basis and their conversion to peace-time need not, apparently, involve any great problem. Most of them are already on a peace-time footing.

The one outstanding exception, of course, is the automotive business with, possibly the farm machinery business following a close second. Restrictions which were placed upon the sale of automobiles and accessories early in the war drove the majority of Alberta's automobile merchandizing businesses into hibernation or compelled them to drastically curtail their operations so that sales and office staffs and mechanics were drastically reduced in number. Likewise, quite a number of retail gasoline outlets and service stations closed completely.

Automotive dealers report that the servicing departments of their businesses are doing a large turnover now under difficult conditions involving shortage of skilled help, difficulties in obtaining parts and replacements and so forth. The general survey indicates that employment in this field of merchandizing particularly as it relates to sales staff and office personnel is about 40 per cent below normal and it is not expected that this condition will be improved greatly until from six to eight months after the war and that it may not be back to normal until about two years have elapsed. The trade reports the release of 27 per cent more trucks in 1945 than in 1944. Rationing will continue in respect to the sale of passenger cars and will apply not only to purchasers themselves but to dealers. It is reported on reliable authority within the automotive industry that the trend of remuneration for automobile sales staffs will be upward after the war. The average before the war for car salesmen stood somewhere between \$2,700 and \$2,800 per year with the minimum around \$1,700 and, with a few outstanding exceptions, with a maximum of \$4,000. The present indications point to a desire on the part of automotive executives to employ a higher standard of salesmen after the war and to base the remuneration on straight salaries or much more attractive agreements of salary and commissions after the war.

In the case of farm machinery businesses, the release of greater numbers of units for sale to primary producers is permitting a slow but steady readjustment to be made and total recovery is expected to be much more rapid here than in the automotive business.

The survey indicates that passenger cars have been going on the scrap pile at an average rate of about 1,500 cars (actually 1,476) per year for the past five years which brings to a total of 7,380 cars for which, reasonably, it may be expected immediately available outlets exist. This figure does not take into consideration the trade-in deals of normal times. In the pre-war normal year (1938-39 selected) the number of new car and truck licenses issued in Alberta totalled 5,943.

In concluding this section of this report, the subcommittee without wishing to appear too hopeful, submits the opinion that all pertinent aspects considered, Alberta's position with respect to the conversion of existing industries to peace-time needs is, at the present time, most encouraging. What the future may hold for the over-all period of the post-war decade is unpredictable because it depends in great measure upon federal trade arrangements but it is heartening to note that Alberta's industrial and business executives have been very active in putting their house in order and in plotting, so far as possible, their respective courses for the post-war period.

ESTABLISHMENT OF NEW INDUSTRIES

The sub-committee has dealt briefly with matters pertaining to the establishment of new industries under the heading of orderly development and utilization of our natural resources. Again the subcommittee expresses the opinion that the practical way in which to establish new industries would be, first, to establish an Industrial Development Board under whose jurisdiction all matters pertaining to this important subject would come.

The local manufacture of many articles for human use may not be economically feasible in Alberta and, taking into consideration our dependence upon foreign markets for the export of all of our agricultural surpluses, it may not be the part of wisdom to strive for a position in which Alberta might find herself industrially independent but, these aspects carefully considered, it is an indisputable fact that opportunities involving attractive markets are available for many new industries in Alberta and, for the time being at least, this is true with respect to small industrial establishments. It is true that virtually every leading industry at present flourishing in Alberta made a start in a small way.

The Province of Alberta imports a wide range of products which, it is believed, could be manufactured economically within the province. Furthermore, a number of industries operating on a small scale in the Province may well be due for considerable expansion. For instance, we import about \$700,000 worth of canned soup annually.

When considering the establishment of new industries, it is not sufficient merely to say that we have a certain kind of natural resources or raw product, that we have a certain market for the finished product and therefore that we should be able to establish a new industry. Usually the great difficulty is to obtain the properly skilled craftsmen and the long-experienced executives to ensure the success of such an industrial undertaking. On the other hand, we find that we have a limited number of skilled craftsmen and experienced executives but do not have the necessary primary products.

An instance of a circumstance in which we have the raw product and the market but lack the craft is to be found in the deposits of kaolin in the Sion district, thirteen miles north of Onoway. The finest grades of chinaware are made from this type of clay. It would seem that the time is opportune to survey completely these deposits with a view to interesting some of the leading potters of Great Britain, many of whom have been bombed out, to investigate the possibilities of chinaware manufacture from this clay deposit. Furthermore all our electrical porcelains are imported. We import all of our electric light bulbs. This latter might be developed as a new industry in connection with proposed expansions to the Dominion Glass Works.

Approximately only five per cent of the paint used in Alberta is made locally in spite of the fact that Alberta has a wide assortment and good quantity of paint shales. The expansion of this industry would have a beneficial effect upon the local production of linseed oil.

Tobacco can be grown successfully in Alberta and its processing does not require an excessive capital investment. In fact it might be started on the basis of a small industry.

The subcommittee has given consideration to the manufacture of straw paper and submits herewith a report on the subject prepared at our request by the University of Alberta. In passing, it is understood that a new machine has been invented which collects straw during the harvesting operation and bales it so that it is possible that, in the near future, the present problem of costs in connection with this operation and which has retarded rapid development, may be overcome. If so, the use of straw may have numerous advantages over pulpwood because straw already exists in the ground form and does not involve timber limit and fire protection costs, and the expense of cutting, sawing and grinding at the mill.

An industry to manufacture shoes, it is indicated, might be established economically in Alberta and there is a possibility in the development of finer leather products at least to meet local market requirements.

What applies to fine chinaware may now apply to the production of high quality woollens which require skilled craftsmen and widely experienced managership. Because it was bombed out and had to get back into production with the least possible delay, one leading British firm became estab-

lished in Ontario. It is highly probable that branches of this industry such as those that manufacture hand-woven materials such as the Halifax and Harris tweeds might be induced to become re-established in Alberta.

Tremendous opportunities are available to chemical industries in Alberta and, particularly for those requiring quantities of natural gas, salt, limestone, petroleum and coal.

Flax and hemp can be successfully grown for commercial purposes in Alberta. The kind of flax grown presently is good as a seed producer but not suitable for linen. However, the long fibred flax used in linen manufacture can be grown successfully in parts of Alberta. Hemp can be produced at first, for the manufacture of binder twine at least to meet local requirements.

Alberta already has the foundations for a thriving furniture business and we have a number of skilled artisans who have produced, economically, a number of lines including cabinets but the difficulty is that we do not have any local supplies of hard woods. It is interesting to note that, recently, a process has been developed for the hardening of soft woods and this invention, which is said to be able to render poplar, spruce and pine as hard or harder than aged oak, may prove to be another boon to Alberta.

These opportunities and industrial needs having been thus reviewed, the subcommittee is happy to report that serious inquiries are being received by the Department of Trade and Industry from responsible and well-financed industrialists who are interested in Alberta as a possible location of various industrial enterprises within the near future or after the war. Usually such inquiries are of a confidential nature because they involve many problems—obtaining suitable sites, arranging possible concessions and so forth. Because of these factors, the nature of the enterprises and their principals must not be revealed at this time but it may be said that prospects that a number of new industries on reasonably large scales will become established in Alberta within the next few years are very bright. The subcommittee has authorized the publication of a number of maps of Alberta on a scale of twenty miles to the inch showing natural resources and basic industries and having superimposed thereon air lines, power lines, natural gas distribution lines and oil pipe lines. These will be distributed to a selected number of industrial executives who have either requested such information or are interested in it.

It is most significant that large numbers of inquiries are being received from individuals in distant countries who are interested in becoming established in Alberta either in small industries of their own or in small businesses. The Publicity and Travel Bureau has been attending to these requests for information and a most encouraging follow-up response is being received. The files of that office show that, particularly, inquirers living in Great Britain, when they receive the first replies to their requests for information reply at once and ask further questions of a more specific nature. It may not

be surprising that a very large number of inquiries are being received from those who were employed on various northern construction projects and have now returned to the United States. Many of these men are eager to return to Canada and particularly to Alberta and the north. Somewhat more than 35,000 map folders have been dispatched during the past year to individuals in the United States as a result of direct inquiries. The Department of Trade and Industry, in co-operation with the British Columbia Government and the immigration branches of the Canadian National and Canadian Pacific railways, have a listing of approximately 65,000 other names of persons to whom the folder will be sent as soon as an additional supply now in process of preparation, comes from the press.

INTERPROVINCIAL TRADE, MARKETS

The problems involved in obtaining and securely maintaining markets have been outlined previously in this report but again it is necessary to point out that, in the absence of any clearly defined federal policy respecting foreign trade and also because of the chaotic state of foreign markets especially in Europe, it has been utterly impossible to make a reliable survey of what Alberta's export markets may be immediately and for some time after the war. The future of the export market for agricultural products is very much in doubt so far as federal officials are concerned and the best they can do, it seems, is to make agreements from year to year. This condition cannot create stability especially in industries engaged in processing agricultural, poultry and livestock products for export. The aspects of the situation are numerous and interesting from the viewpoint of discussion or speculation but these are not pertinent to this survey. The fact of the matter is that no definite reliable information is available.

Meanwhile, markets for the products of industrial institutions have been discussed under the heading of conversion of war industries to peace-time needs. It may be reiterated that Alberta's industries, owing to the initiative and sagacity of their executives, are establishing markets for themselves in spite of all the handicaps imposed by lack of federal policy, high freight rate structures, shortages in freight and shipping facilities etc.

As for inter-provincial trade, Alberta again appears to be well on the credit side of the ledger. We are in the market for large quantities of goods as soon as they are available and such goods will come, principally, from the manufacturing industries of other provinces and the ultimate purchasers will pay the freight rates. But when it comes to selling to other provinces our industries face the freight rate problem which places a distinct limitation upon the territory which they can supply economically.

This applies to British Columbia especially. Here we have the type of situation which, to the delight of those who

enjoy satire, marks so distinctly a fundamental characteristic of inconsistency in mankind. Between Alberta and British Columbia—two provinces between whom there should be a healthy exchange of widely diversified products—there existed at one time an almost unsurmountable natural barrier of mountain ranges. Capable engineers of a generation ago and many others whose judgment was held high, declared with all emphasis that to span them with a railway was an impossible feat. But persevering men spanned them with ribbons of steel. No sooner was the natural barrier overcome by mechanical means than man established in their place an artificial barrier—a barrier of freight rates. The matter doesn't seem so serious now but all will remember how but a few years ago, when the lean years struck, and purchasing power was at a low ebb, luscious fruit rotted in the orchards of the Okanagan while Alberta's shelves were bare of fruit. And even today, the vast salmon hordes of the Pacific mean little to the daily diet of Albertans. Alberta's retail fish prices seem almost to vie with those of the better cuts of prime beef for supremacy. The freight-rate structure holds the answer to many such problems and it was for this reason that this subcommittee recommended that a complete investigation be undertaken and all possible publicity be given to its findings respecting the freight rate problem.

However, viewing the situation from the aspect that Alberta will undoubtedly be on the receiving end of the line after the war, the survey has sought information regarding possible requirements which may stimulate inter-provincial trade. This survey was fashioned after a study of possible market outlets in the United States. In the case of automobiles, referred to previously, the estimate was based upon conditions as revealed by provincial licensing figures and in consultation with retail dealers. The estimates pertaining to other items mentioned in the survey were arrived at after taking into consideration the trends as registered in Calgary and Edmonton because, except for mail order business, virtually all distribution to other parts of the province is carried out from these two centres and it was believed that more accurate estimates could be arrived at by this method than by personal interviews with a limited number of prospective buyers or local distributors.

The estimates are based upon purchases for one year which may be taken as a close average for the five-year post-war period under normal economic conditions. It will be recalled that nearly normal times prevailed after the last war for about a similar period. Furthermore, the estimates can be considered as relatively conservative because no allowance has been made for possible extra purchasing power which may be enjoyed as a result of war bond purchases, compulsory savings features of the income tax and so forth.

	Value	Number of Purchases
Passenger automobiles -----	\$5,649,600	4,708
Household furniture -----	274,000 (suites)	1,760
Stoves (kitchen) -----	49,400	700
Radios -----	50,500	675
Sewing machines -----	37,500	250
Vacuum cleaners -----	38,500	550
Electric appliances -----	20,000	1,750
Carpetings -----	64,000	800
Other floor coverings -----	25,000	500
Home building -----	1,890,000	630
Home painting (ext. and int.) -----	151,800	1,380
Home improvements -----	129,500	250

For the purpose of giving a very general idea of possible trends, surveys of this character are, perhaps, interesting but, when the immense amount of work they have entailed has been completed, the question arises, "What should be done with them?" Local branch managers and agencies of the industrial concerns which manufacture these things, being in constant daily touch with the requirements of their various districts, have already reported to their head officers concerning their prospective orders or orders already placed. It is only when chronic shortages in essentials threaten, that official action is necessary and it becomes advisable to bring to the attention of the Department of Trade and Commerce or some other responsible federal body the need for permitting the release of sufficient goods or materials to alleviate the situation.

This is a continuing task because the situation changes from week to week and month to month. Early in the fall of 1944, for instance, the fencing wire situation was acute in Alberta but, even while a survey was being conducted, fencing wire began to roll into Alberta by car load after car load and before the survey had been completed, the situation had changed entirely. In the early summer of 1944 there was no threatened shortage of suitings. A survey conducted during the week of December 9 revealed that Alberta's stock of men's suits were at, possibly, an all-time low and dealers reported that the situation might become worse before spring because no suitings had been imported since last June and importers held out little hope that any might be received for some time. On the other hand, the next ship to dock might bring a supply. In another instance, supplies of equipment and fixtures for retail stores are beginning to loosen up. Within the past month at least one agency for the distribution of display window light reflectors, counter accessories etc. has been reopened in Edmonton and good orders are being filled. In the case of high grade steel goods a similar condition is developing. There have been fairly substantial releases of cutlery, and steel tool articles for civilian use. A year ago the lumber supply was at a low ebb. Labor shortages eased up a bit and production began to increase particularly with respect to spruce and fir so that it appeared for a brief time as if it

would be possible to establish small reserves because construction of war-time installations had been completed. But the robot bomb made its appearance. Construction of numerous hospitals was commenced; building materials were released under the Dominion housing scheme and the situation changed almost overnight. The robot bombing of England has created such a demand for lumber that virtually the entire Pacific coast production is going overseas. Although production of spruce and fir is increasing, finished lumber for interior finishing is still very scarce and all indications point to the possibility that the demand for all types of lumber will exceed the supply for a considerable time. Competent operators in the lumber industry regard as a waste of time the compilation of figures on Alberta's lumber requirements because little or nothing can be done about it. Since the situation is in a constant state of flux they are simply doing the best they can from day to day. On the other hand the supply of building accessories is easing somewhat, at least for the time being.

These facts are in no way intended to construe that the subcommittee considers requirement surveys unimportant. In fact, the subcommittee holds the view that they are most important but that they are a continuing task which, in order to yield effective and accurate results, must, under some circumstances, be conducted under legislative authority. To conduct a survey during any particular month and conclude that its findings are of a permanent nature and therefore even approximately authoritative would be to commit a serious error.

The subcommittee on Industry recommends, therefore, that it proceed with its operations as authorized by the Post-War Reconstruction Committee and carry on its industrial survey; that the reports of the Survey Management Committee from time to time in this respect be submitted to the chairman of this subcommittee, and further, that the subcommittee on Industry be constituted as a continuing committee to keep the survey up-to-date.

ELECTRIFICATION AND INDUSTRIES

Since this subcommittee submitted its interim report to the Post-War Reconstruction Committee last year, the Alberta Power Commission has been established and has undertaken certain operations. A hydrometric survey of the North Saskatchewan River and its tributaries which had not been surveyed previously has been completed and the Commission is planning to carry on a similar survey of the Athabaska River during the coming season. The reports of the Commission, no doubt, can be made available to the Committee from time to time.

The subcommittee has considered carefully problems which have arisen in respect to electric power installations which were established under war-time conditions. Chief among such installations are those on airports used under the

Commonwealth Air Training Plan. Through the Department of Trade and Industry, the subcommittee is in close touch with the problems involved with electrification as applied to industries and there is little to report. However, one or two situations either have arisen or may arise so the subcommittee submits the following resolution namely:

It is recommended that no war-time electric power installations in the province be dismantled or removed without the sanction of the Alberta Power Commission and that, if necessary, the authority of the Commission be extended to include the administration of such matters and;

It is further recommended that no utilities such as gas, water or oil lines or other fixtures be lifted, dismantled or removed without proper permission from the Board of Public Utilities Commissioners or other similar authority.

TOURIST INDUSTRY

The subcommittee on Trade and Industry submits as an appendix an extensive report on Post-War Travel in Relation to Alberta which covers in considerable detail present and likely future situations. It is recommended that the members of the Post-War Reconstruction Committee read this appendix carefully. It is summarized here briefly for the immediate information of the Committee..

In many localities on this continent and overseas, the tourist industry is to the community what agriculture is to Alberta. Alberta is more fortunate than they are because, in addition to having a well-established and thriving agricultural community it also has unparalleled opportunities for the development of the tourist industry. The tourist industry offers the greatest and most immediate opportunities for post-war rehabilitation and employment. In this respect no other industry in Alberta, (agriculture included) can compare with it.

Millions of persons who have been accustomed to travel during peace-time vacation periods have been compelled to remain at home and are eagerly awaiting the lifting of restrictions. Through the influence of Labor Unions, in the United States alone, about 7,000,000 more workers than ever before are now able to obtain holidays with pay. As a result of war loans and other money-saving schemes, large masses of prospective tourists have more money which is likely to be available for travel after the war than at any time in history. It is indicated in Washington that an embargo will be placed on overseas pleasure travel for three years after the war and South American countries and Mexico already have under way tremendous travel promotion programs to attract American business southward. Likewise west coast agencies are working to induce eastern travellers westward; east coast agencies are endeavoring to sell westerners holidays in the east. It is a highly competitive business. Highly organized catering resorts are ready to operate immediately at the conclusion of the war or as soon as their staffs are somewhat

increased. Advertising appropriations have already been made and publicity has been prepared. The State of Washington has a biennial appropriation of \$500,000. The appendix submitted herewith tells of preparations elsewhere. During the war Alberta's plans and efforts have been virtually at a standstill.

It took seventy years to develop rail and thirty years to develop motor travel facilities to pre-war standards of 1939 and consequently slow but steady year-by-year improvements and expansions in accommodation and service facilities were sufficient to keep abreast of the times but, in the post-war era, modern aviation facilities will create a sudden and serious situation in regard to these matters for the following reasons:

1. Five years of war have brought aircraft to a position where they can compete with surface facilities at comparative rates with the added consideration that flying eliminates the time-distance factor.

2. It is estimated that at least 8,000 aircraft suitable for conversion to passenger planes will be released to established airlines. So modern equipment will be available.

3. Large numbers of air and ground crew have been given expert training and have obtained invaluable flying experience during the war. So personnel will be available.

4. Pan-American Airways has announced that it will effect rate reductions from the present eight cents per passenger mile to $3\frac{1}{2}$ cents after the war. Trans-Continental Western Air Lines are listing air rates undercutting first-class surface rates. (New York to London for \$276 as compared with \$316 first-class steamer). So prices make air travel accessible to all who previously could afford rail travel.

5. All centres west of Boston and north of Monterey Mexico are now within twenty-four hours air travel of Alberta's National Parks and northern lakes. So persons on two-weeks of vacation who could not spend from eight to ten days in travel to reach the Canadian Rockies for four or five days of outing, may now fly during week ends and have their entire vacation time at their disposal.

6. Despite the fact that cars have been going onto the American scrap pile at the rate of 2,000,000 a year, there are still 24,000,000 privately-owned cars either ready or nearly ready (when tires are released) to roll. So heavy motor travel can still be expected.

These circumstances lead to an urgent need for the proper training of personnel. In Canada we have been led to believe that tourist resorts are seasonal, that waiting on tables or carrying baggage are jobs for high school students during the holidays. In districts where tourism is to the people what agriculture is to Alberta, this kind of employment is but a part of an apprenticeship leading to a degree as hostess or as a stepping stone to executive positions in the travel industry. Regular courses are available for such training and, if established would attract classes especially from western Canada and the Pacific North-West States.

Tourist accommodation in Alberta, what there is of it, is of a very high standard in the parks especially, but the rates are beyond the purses of persons in the lower income brackets and, furthermore, it is by no means sufficient. Standardization of accommodation and services is necessary in accordance with standard rates. Licensing by municipalities, as tried in some localities is ineffectual because it standardizes nothing and local politics frequently enter into situations. Therefore, licensing of tourist cabin and camp resorts based on approval of sites, standardization of services etc. on a nominal fee basis, but which establishes regular inspections under provincial regulations is necessary.

Public support for Governmental efforts to develop the tourist industry is necessary. The appendix points out that the agricultural population of Alberta heartily approves expenditures for education, health measures and agriculture because the public is conscious that these services result in increased incomes or benefits of other kinds, but the farmer on the central prairies who rarely sees a tourist is likely to believe that public funds spent in the development of tourism go directly into the pockets of persons in the resort centres and do him no good whatsoever. Therefore, the agricultural population of the province must be educated to the fact that a side of beef sold in Alberta to visitors employs cooks, waiters and other hotel and restaurant help; that visitors are an imported market; that tourists, from the moment they enter the province, become tax payers either directly or indirectly and further, that the money they spend plays a very important part in maintaining a favorable balance in regard to Canada's foreign exchange position and therefore, in the purchasing power of the Canadian dollar.

The appendix states that organization within the tourist industry is necessary and that no general organization exists to bring all the various phases of activity in tourism together. It points out that Montanans Incorporated is an organization of business and professional men, resort owners and operators, newspaper, radio and transportation men who raise by private subscription for publicity purposes about \$50,000 per year. Such an organization would be of tremendous benefit to the tourist industry in Alberta, among other things to act as a quasi-disciplinary body within the industry to keep it up to high standards of efficiency, service, etc.

Furthermore, sporting activities should be more thoroughly organized and great co-operation should exist between the sportsmen's organization and the tourist industry. The example of Pennsylvania is cited to show that, while in 1913 the State was virtually devoid of game, through the activities of sportsmen's clubs largely, hunting and fishing were improved so that today that State's vacation business amounts to more than \$400,000,000 per year and that is more than Alberta derives today from all our grain crops, coal, oil, lumber, livestock, poultry, butter and cheese business combined.

The report deals with the financing of new resorts after the war and points to the advisability of arranging for return-

ing active service personnel who want to establish such resorts a system of federal financial aid similar to that now provided for veterans under the Veterans' Land Act. The position of returning veterans in relation to the improvement of forest fire protection is also considered as is the situation with regard to obtaining for resort establishments certain surplus war supplies which are to be disposed of through War Assets Corporation—stoves, blankets, kitchen utensils etc.

The report urges that immediate steps be taken to prepare promotional material because such material must be made at least one season in advance for use the following spring to attract tourists the following summer. It urges that material should include advertising layouts of design and copy, publicity in the form of written articles and photographs for release through news columns, radio programs and motion pictures to be ready for immediate use the moment an armistice has been signed.

The report concludes with a brief reference to the importance of highways in relation to tourist travel.

Arising out of this report on the tourist industry, the subcommittee recommends:

That the Department of Trade and Industry establish a system of licensing for and regulation of tourist cabin camp resorts under categories according to the design of construction and facilities provided, with a view to establishing in Alberta a wider range of accommodation according to rates to serve visitors in the lower income brackets, and to ensure a definite standard of service for a standard of price.

That the Department of Trade and Industry call a conference of all parties interested to discuss and submit for the guidance of the Government, recommendations pertaining to all matters concerning the development of the tourist industry in Alberta especially in relation to:

- (a) Providing training for personnel,
- (b) Providing more accommodation,
- (c) Standardization, licensing and regulation within the industry,
- (d) Establishing a central tourist organization,
- (e) Organizing auto court operators and resort managers,
- (f) Organizing sports activities,
- (g) Financing the establishment of new resorts,
- (h) Settlement of returning active service personnel as resort managers, and
- (i) Such other matters as they may deem advisable.

That the responsible federal authorities recognize the need for providing for returned veterans, who wish to establish tourist resorts, and supply federal financial assistance similar to that provided for veterans who settle on agricultural lands, but on a basis which does not incumber the veteran with debt.

The subcommittee, through the Department of Trade and Industry has in progress a survey of presently undeveloped but suitable sites which may be developed as resort centres after the war and a study is being made of a number of them. The co-operation of aero companies operating in the north has been obtained but reports on some of the sites which they suggest are not yet complete.

Among the sites already reported are the following:

Clearwater River west of Rocky Mountain House.

Hardisty Lake near Hardisty.

Pembina River near Entwhistle.

Ponoka and district.

Rimbey and district.

Gull Lake.

Hanmore Lake near Smoky Lake.

Sundre and adjacent foothills.

Medicine Hat.

Peace River near Fairview.

Wapiti River south of Grande Prairie.

Cooking Lake.

Reports concerning others are being received from day to day and cover information pertaining to the exact location, nature of forest and plant growth and drainage, proximity to nearest town or village and rail, highway or air transportation facilities, nature of activity likely to predominate such as swimming, canoeing, fishing, hunting, hiking etc. and other data which might be useful in determining the suitability of the site for development.

In addition to these new and undeveloped sites, some development has already been carried out within provincial park areas including Saskatoon Island, Gooseberry Lake, Lundbreck Falls, Hommy Park, Ghost River, Park Lake Assinneau Reserve, Dillberry Lake, Writing on Stone Reserve, Little Smoky Reserve, Bad Lands Reserve, and the Wapiti Reserve in addition to the more developed and better known centres at Waterton, Elk Island, the lake resorts at Cooking, Sylvan, Wabamun, Alberta Beach, Pigeon and other lakes, and, of course, Banff and Jasper National Parks.

It is not the intention of the subcommittee to belabor the Committee with numerous other details because the importance of resort establishment as an outlet for consumer goods will be immediately recognized. A small resort which will accommodate only fifty persons per night requires a tremendous quantity of beds and bedding, cooking utensils, cutlery china-ware, furnishings etc. Furthermore, it is conservatively estimated that accommodations at Jasper should be increased tenfold and those at Banff fourfold within a reasonable period after the war.

The subcommittee cites these few examples to establish the immensity and importance of problems pertaining to the tourist industry which, under proper development, can rank within a reasonably short time with agriculture as an industry in Alberta.

STABILIZATION OF EMPLOYMENT

The subcommittee, earlier in this report has submitted its views and proposals for the maintenance of stabilization in industrial employment.

COLLECTIVE BARGAINING, LABOR RELATIONS

The subcommittee has already submitted its recommendations pertaining to collective bargaining and labor-management relations.

WAGES, WORKING CONDITIONS

The subcommittee, in its study of wages and working conditions as, indeed, also in its study of the above noted matters, has had at its disposal the valuable reports and experiences of the Board of Industrial Relations. The facts contained in these reports cover such a wide range of problems and the solutions to them seem always to have been achieved by such successful methods that the subcommittee suggests that if the proposed Industrial Development Board functions as smoothly and efficiently, little will remain to cause undue worry or concern.

Although many of the situations involving wages and working conditions, collective bargaining and many other aspects of industrial relations, have been extremely complicated and, at times, very difficult, it is outstandingly significant that, since the Board of Industrial Relations commenced operations not a single dispute has remained unsettled and with only one or two exceptions, neither labor nor management has suffered material loss of income or business turn-over.

The subcommittee does not intend to imply that all is perfect in the balance of wages and working conditions; that Alberta's system of collective bargaining is beyond improvement nor that differences may not continue to develop from time to time. But the subcommittee does point to the Board of Industrial Relations as the kind of functioning governmental body which, when clothed with benevolent but authoritative powers, can encounter and solve every type of problem that comes within its jurisdiction. With such a Board in operation it is unnecessary for this subcommittee to enter into any lengthy dissertation about labor, management, wage or working conditions, because the Government, through the Department of Trade and Industry is fully informed at all times and stands well advised on matters which demand governmental decisions or legislative action.

The subcommittee assures this Committee that the voluminous files and records of the Board of Industrial Relations are available to this Committee now or at any future time upon your request and that, therefore, it would be redundant to rewrite them into this report.

TRAINING FOR EMPLOYMENT

The subcommittee's recommendations in this respect have already been submitted in this report.

SUMMARY

In summary, therefore, the subcommittee on Trade and Industry recommends:

1. That the Department of Trade and Industry establish an Industrial Development Board under the provisions of the Trade and Industry Act to encourage and assist industrialists to become established in Alberta;

2. That attention of the Dominion Government be directed to the importance of maintaining under the powers of the Combines Investigation Act, Canadian exports as they may be affected by cartels, having particular reference to such plants as Alberta Nitrogen Products Limited;

3. That the Dominion Government be petitioned to insist that, in disposing of chemical plants, with particular reference to the plant of Alberta Nitrogen Products Limited after the war, it may be made a condition of the agreement of sale that such plants be maintained in effective production.

4. That the Department of Railways and Telephones undertake a complete investigation into, and report to the Post-War Reconstruction Committee on, the freight-rate problem as it affects Alberta's economy, with a view to obtaining an equalization of freight rates within Canada as soon as possible and with a view to abolishing in Alberta the so-called constructive rates and, further, that full publicity be given to the findings of the investigation;

5. That the maintenance of open markets for surplus agricultural products at fair prices is essential to the economic stability and progress of Alberta and, therefore, that the importance of the establishment by the Dominion Government of a clearly-defined, long-term marketing policy should be stressed;

6. That the attention of the Alberta Research Council be directed to the possible development of products from sawfly resisting straw which is being produced at the Lethbridge Experimental Farm, with a view to investigating its properties for the production of paper and textiles and submit a report to the Department of Trade and Industry on the subject;

7. That further information regarding the \$15,000 plant mentioned in the University's report on straw paper, for the manufacture of insulating board, be obtained with a view to establishing immediately a pilot plant in Alberta.

8. That collective bargaining be continued and that legislation to keep it effective be studied continually with a view to improving its effectiveness;

9. That the principle be adopted that, when an agreement has been entered into by the process of collective bar-

gaining, such agreement be binding for a minimum of one year;

10. That everything possible be done to encourage, in all industries, the establishment of labor-management relations committees as a means of promoting the development and prosperity of such industries for the benefit of employers, employees and for the economic progress of Alberta;

11. That federal income taxation should be revised to permit the establishment of funds for expansion and further to provide initial capital for the establishment of new industries into which the element of speculation enters;

12. That, as well as through other sources, provision should be made through the Industrial Bank of Canada to make additional capital available for the development of industries in Alberta;

13. That aviation matters of local significance should be administered by the provincial government;

14. That the subcommittee on Trade and Industry proceed with its operations as authorized by the Post-War Reconstruction Committee and carry on with its industrial survey; that the reports of the Survey Management Committee from time to time in this respect be submitted to the chairman of this subcommittee and further that the subcommittee on Trade and Industry be constituted as a continuing committee to keep the survey up to date;

15. That no war-time electric power installations in the province be dismantled or removed without the sanction of the Alberta Power Commission and that the authority of the Commission be extended to include the administration of such matters;

16. That no utilities such as gas, water or oil lines or other fixtures be lifted, dismantled or removed without proper permission from the Board of Public Utilities Commissioners or other similar authority;

17. That the Alberta Government be urged to supplement all that is being done by and through other agencies, by establishing an adequate housing program for Alberta within the resources of this province;

18. That the Department of Trade and Industry establish a system of licensing for, and regulation of, tourist cabin camp resorts under categories according to site the design of construction and facilities provided, with a view to establishing in Alberta a wider range of accommodation and to ensure a definite standard of service for a standard of price;

19. That the Department of Trade and Industry consider the advisability of calling a conference of all parties interested to discuss and submit for the guidance of the Government, recommendations pertaining to all matters concerning the development of the tourist industry in Alberta;

20. That the responsible federal authorities recognize the need of providing for returned veterans who wish to establish tourist resorts, federal financial assistance similar

to that provided under the Veterans' Land Act for veterans who settle on agricultural lands, but on a basis which does not encumber the veteran with debt.

CONCLUSION

The subcommittee views with great satisfaction the fact that, in accordance with recommendations made in its report last year, an Alberta Power Commission has been established and that the Apprenticeship Act has been placed upon the Statutes of Alberta.

The subcommittee submits the considered opinion that it is the constructive view of Labor in Alberta that it is desirable that conditions be maintained such as will encourage capital investment in Alberta with a view to ensuring the progressive development and use of the material resources of the province in a manner which will provide the highest possible standard of living consistent with Alberta's economic position.

Furthermore, the subcommittee submits the opinion that the orderly development and utilization of our natural resources and agricultural production can be achieved and maintained only through an industrial economy based upon the principle of decentralization in industry and that the industrial requirements of our people may best be met through a process of industrial production which places at their disposal the necessities of life with the added enjoyment of economic security with freedom, coupled with a high standard of living comforts, health services, and educational facilities limited only by the economic resources of the province and regardless of the pecuniary income of the individual.

All of which is respectfully submitted.

Hon. C. E. Gerhart,
Chairman,
Subcommittee on
Industry.

December 18, 1944.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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Alberta Post-War Reconstruction Committee

REPORT of the Subcommittee on Natural Resources

- ◆ Oil.
- ◆ Natural Gas.
- ◆ Bituminous Sands.
- ◆ Salt.
- ◆ Coal.
- ◆ Other Minerals.
- ◆ Forests.
- ◆ Watersheds.
- ◆ Lands.
- ◆ Fish.
- ◆ Fur Bearing Animals.
- ◆ Game Birds.
- ◆ Surveys.
- ◆ Recommendations.

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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
 2. Alberta Post-War Survey.
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INTRODUCTION

The Post-War Reconstruction Committee was established with passage of the Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Mr. A. J. Hooke, M.L.A.

By Order in Council Number 1004/43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943 are detailed in the Interim Report, presented to the Lieutenant Governor-in-Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and uncompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Mr. Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the sub-committee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the sub-committee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a province-wide survey of household, farm, business, industrial and municipal programs for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labor organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. Today the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

Today, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavor, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator. And yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial, and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. And one of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein become the property of those who use them to create and acquire more property. Thus, the fruits of their labor become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it today; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized today, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces: policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple: it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavor to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally as obvious is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this: to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favored freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labor-saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labor, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labor-saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created. And since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfillment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee or persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have labored at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor-in-Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

*Hon. A. J. Hooke,
Chairman,
Post-War Reconstruction Committee.*

Dear Sir:

*I have the honour to present the final Report
of the Subcommittee on Natural Resources, appointed
by the General Committee in June, 1943, to study the
subjects dealt with herein.*

Yours faithfully,

*N. E. TANNER,
Minister Lands and Mines,
Chairman, Subcommittee on
Natural Resources.*

March 7th, 1945.

Natural Resources

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Natural Gas.	Lands.
Bituminous Sands.	Fish.
Salt.	Fur Bearing Animals.
Coal.	Game Birds.
Other Minerals.	Surveys.
Forests.	Recommendations.

NATURAL RESOURCES

« »

1. Although voluminous data on Alberta's natural resources have been compiled in government records and in evidence before various commissions and investigations and have been available to the committee for study, a tremendous amount of research must be completed before post-war development and the use of such natural resources can be planned with certainty and wisdom.

2. An area of over seventy millions of acres, nearly one-half of the province, has still to be surveyed, comprising a large territory about which we have practically no information and aerial photography can play an important part in this work by its accuracy in establishing topographical features and assisting with subsequent ground surveys.

Oil

3. Discovered in 1914, proven for wet gas in 1924 and as a crude producer in 1936, Turner Valley's oil production peak was believed to have been reached in 1942, when its production of 10,003,935 barrels brought Alberta's total production to 10,143,270 barrels. Alberta's total was 9,674,548 barrels in 1943 and 8,326,314 barrels in 1944. Considerable interest in the northern extension of Turner Valley is being shown, and two drilling sites have been chosen for exploration of a further northwesterly extension.

4. While only small quantities of crude have been produced as yet in the Wainwright field and elsewhere, more substantial quantities have been produced in the Vermilion and Taber fields which, so far, offer the greatest promise of substantial production outside of Turner Valley.

4a. The Princess field shows promise as a result of a successful Devonian test well there. An active drilling programme is in progress. Possibly the most important recent discovery has been in the Jumping Pound structure. Apparently a gas cap has been found, and drilling is going forward in an effort to locate the oil in the structure. Another well of promise is in progress at Coalspur, the well having penetrated at least one high pressure gas horizon. Renewed activity in the Brazeau area is worthy of mention, where licenses to drill several test wells have been issued.

5. The search for oil has been confined to the plains and foothills but the trend is towards the unsurveyed lands of the north, and to encourage investigation, the geology of these areas should be available to the prospector. Searchers for oil have the benefit of data compiled continuously by the Petroleum Conservation Board, Calgary, through the efforts of operators to make new discoveries of oil structures and maps are issued showing all locations drilled. A publication is issued periodically giving information as to the water, gas and oil zones encountered in wells drilled and the logs of such

wells may be examined by any interested party. Accommodation is to be provided where cores and samples will be stored for examination and the department maintains at Calgary a geological laboratory for the benefit of the industry.

6. In Alberta fields, between January 1st, 1940, and December 31st, 1944 (the war years), 257 wells were drilled into commercial production; 182 wells were drilled and abandoned; 8 more produced some oil of no commercial value and little geological importance; another 52 found gas; and at this time (January 31st, 1945), 26 wells are still drilling.

7. Since the search for oil started in Alberta, 508 producing wells have been completed; the aggregate footage drilled being 5,444,430 feet; 183 gas wells and 588 dry holes have been drilled. Though tests on about 65 structures have been unsuccessful, these areas have not been disproved and large areas of the province still remain to be tested. Without including financing costs and including drilling costs only, it is reasonable to estimate that \$146,348,000 have been spent. The oil and gas produced had a value of \$144,233,488. This would indicate that without including charges about \$2,114,512.00 have been spent in excess of recovery. This, of course, is more than offset by the capital value of established wells in terms of their potential production.

THE PETROLEUM TREE

From the original three products of 60 years ago the Petroleum "Tree" has grown until today many hundreds of products and by-products are refined from crude oil. Some of these products are shown in the "Tree" on the opposite page, and the more common uses for these are listed below.

BRANCH A

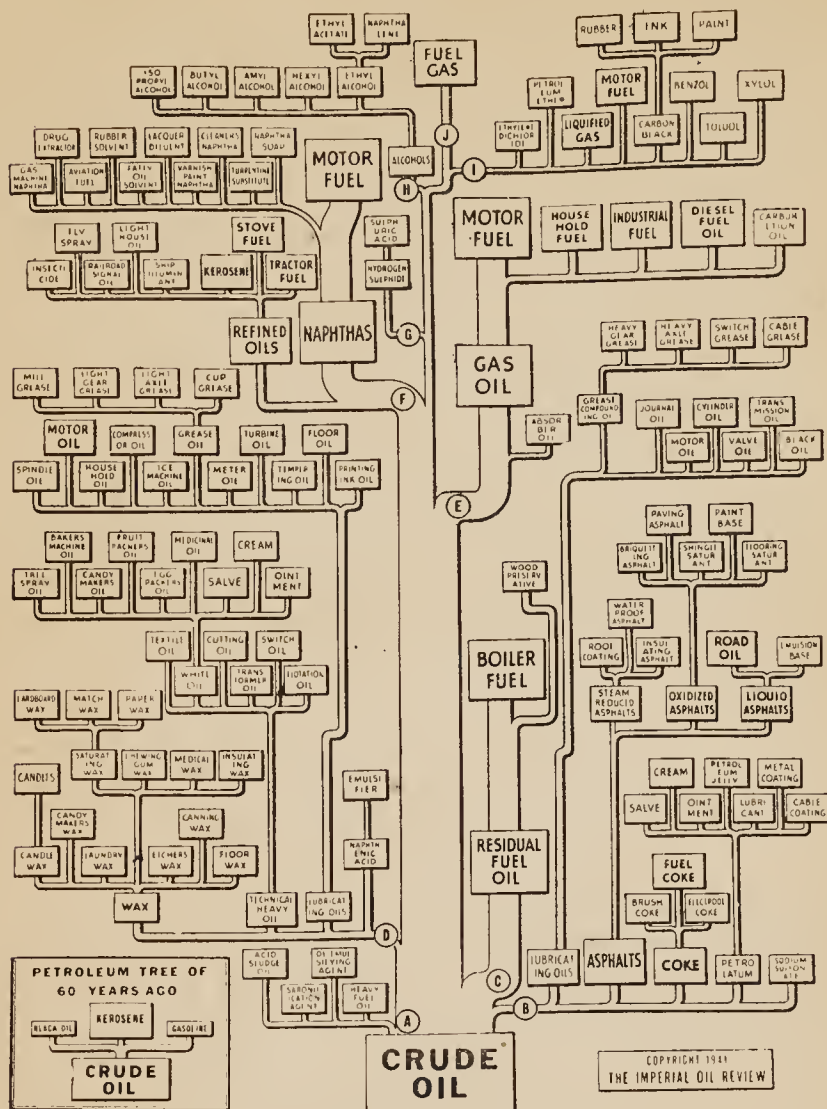
Heavy Fuel Oil—fuel for boilers, industrial uses. **De-Emulsifying Agent.** **Saponification Agent.** **Acid Sludge Oil** denaturant.

BRANCH B

HEAVY LUBRICATING OILS: **Journal Oil**—lubricating railway journals. **Motor Oil**—lubricating internal combustion engines. **Cylinder Oil**—lubricating steam cylinders. **Valve Oil**—lubricating valves of steam engines. **Transmission Oil**—gear lubricant. **Black Oil**—mine car lubrication. **Grease Compounding Oil**—manufacture of heavy gear grease, heavy axle grease, railroad switch grease, elevator cable grease.

ASPHALT: **Steam-Reduced Asphalts**—roof coating, water-proofing asphalt, insulating asphalt. **Oxidized Asphalts**—briquetting asphalt, paving asphalt, shingle saturant, paint base, mastic flooring, roofing saturant. **Liquid Asphalts**—road paving, road oil, emulsion base.

COKE: **Brush Coke** brushes for electrical equipment. **Fuel Coke**—domestic fuel and carborundum manufacture. **Electrode Coke**—manufacture of carbon electrodes.



PETROLATUM: Salve—pharmaceutical. **Cream**—cosmetics. **Ointment** pharmaceutical. **Petroleum Jelly**—pharmaceutical. **Metal Coating**—anti-rust compounds. **Lubricant**—ammunition manufacture. **Cable Coating**—electrical and mining industries.

SODIUM SULFONATE: preparation of water-soluble textile oils.

BRANCH C

RESIDUAL FUEL OIL: Wood Preservative—impregnation of railroad ties. **Boiler Fuel** firing boilers.

BRANCH D

NAPHTHENIC ACID: Emulsifier—manufacture of textile oils.

LUBRICATING OILS: Printing Ink Oil—vehicle for printing ink ingredients. Floor Oil—dust layer for wooden floors. Tempering

Oil—processing of metals. **Turbine Oil**—lubrication of steam turbines. **Meter Oil**—lubrication of meters. **Grease Oil**—manufacture of cup grease, light axle grease, light gear grease, mill grease. **Ice Machine Oil**—lubrication of ice machines and domestic refrigerators. **Compressor Oil**—lubrication of air and gas compressors. **Household Oil**—general purpose lubricating oil. **Motor Oil**—lubrication of internal combustion engines and electric motors. **Spindle Oil**—textile machinery.

TECHNICAL HEAVY OIL: **Flotation Oil**—mining and milling operations. **Switch Oil**—oil-immersed electrical switches. **Transformer Oil** insulation in electrical transformers. **Cutting Oil**—metal working. **White Oil**—ointment (pharmaceutical), cosmetics cream, salve (pharmaceutical) medicinal purposes, egg-packers oil, fruit-packers oil, candy-makers oil, bakers' machine oil, tree spray oil. **Textile Oil**—lubrication of textile fibres.

WAX: **Floor Wax**—ingredient of floor wax. **Canning Wax**—domestic preserving. **Etchers' Wax**—etching of glass and metal. **Laundry Wax**—starching and ironing operations. **Candy-makers Wax**—various candy-making operations. **Candle Wax**—candles. **Insulating Wax**—insulating electric cables. **Medical Wax**—various medical and laboratory uses. **Chewing Gum Wax**—manufacture of chewing gum. **Saturating Wax**—wax paper, match wax, cardboard wax.

BRANCH E

Absorber Oil—menstruum in petroleum and coal gas industries. **Gas Oil**—manufacture of house gas and high octane motor fuel. **Household Fuel**—domestic heating. **Industrial Fuel**—industrial operations (heating, smelting, etc.). **Diesel Fuel Oil**—fuel for Diesel engines. **Carburetion Oil**—enrichment of water gas. **Motor Fuel**—fuel for internal combustion engines.

BRANCH F

NAPHTHAS: **Naphtha Soap**—laundry work. **Turpentine Substitute**—manufacture of paints. **Cleaners Naphtha**—dry cleaning. **Varnish and Paint Naphtha**—varnish and paint manufacture. **Lacquer Diluent**—manufacture of lacquers. **Fatty Oil Solvent**—degreasing and extraction processes (animal and vegetable fats and oils). **Rubber Solvent**—rubber cements. **Aviation Fuel**—high octane aviation gasoline. **Drug Extractor**—extraction of drugs from medicinal plants and herbs. **Gas Machine Naphtha**—lighting and domestic cooking. **Motor Fuel**—fuel for internal combustion engines.

REFINED OILS: **Tractor Fuel**—fuel for tractors (internal combustion). **Stove Oil**—domestic heating and cooking. **Kerosene**—lamps, stoves. **Ship Illuminant**—ship lamps. **Lighthouse Oil**—lighthouse lamps. **Railroad Signal Oil**—railroad signal lamps. **Fly Spray**—insect repellent. **Insecticide**—agricultural spraying.

BRANCH G

HYDROGEN SULPHIDE: **Sulphuric Acid**—storage battery acid.

BRANCH H

ALCOHOLS: **Ethyl Alcohol**—industrial solvent. **Ethyl Acetate**—industrial solvent. **Hexyl Alcohol**—industrial solvent. **Amyl Alcohol**—industrial solvent. **Butyl Alcohol**—industrial solvent. **Iso**

Propyl Alcohol—industrial solvent. **Naphthalene**—moth repellant, insecticide.

BRANCH I .

Ethylene Dichloride—synthetic rubber. **Petroleum Ether**—extraction of fats. **Liquified Gas**—domestic heating. **Motor Fuel**—fuel for internal combustion engines. **Carbon Black**—manufacture of rubber, ink, paint. **Benzol**—industrial solvent. **Toluol**—explosives, paint solvent. **Xylol**—solvent.

BRANCH J

FUEL GAS.

8. The government has taken effective action to ensure the continuation of exploration in the best interests of the industry and the people by the establishment of regulations that enables the prospector to use his funds in the drilling of wells before he is called upon to pay lease rentals. Printed regulations governing this are available at the Department of Lands and Mines, Edmonton.

The Subcommittee Recommends:

That though Turner Valley has been producing for twenty years, the oil industry in Alberta be regarded as still in its infancy and further study be devoted to incentives to private enterprise to continue explorations.

That the Alberta Government continue to maintain regulations of the industry to ensure that exploration, drilling and production be conducted in the best interests of the industry and the people.

That in the interests of exploration the Alberta Government negotiate with the federal authorities for the continuation and completion of the aerial photography of the Province so that maps may be made correlating such aerial photography with topographical surveys.

That reconnaissance surveys be undertaken to complete the geological information of the Province and that a map be made available showing the information ascertained from geological and geophysical examinations and through drilling operations.

Natural Gas

9. In contrast with the oil industry, very little capital has been lost in exploration for natural gas and the existence of large reserves has been proven. The Medicine Hat field, discovered in 1890, is still producing. After supplying Edmonton for twenty years, the Viking field, on the basis of reduced pressures, has yielded probably 50 % or 60 % of its capacity and to ensure an adequate supply of gas, the pipe line has been extended to the Kinsella field. After a similar period, Turner Valley is still supplying Calgary and a large number of communities in southern Alberta and surplus Turner Valley gas has been stored in the exhausted Bow Island wells

and under recent instructions some gas is being returned to the underground formations for future use. There has been considerable evidence of other fields, notably at Pelican Rapids and elsewhere in northern Alberta. In fact, to summarize, Alberta is believed to be one of the greatest gas reservoirs on the continent.

10. The greater part of this gas is high methane or dry variety, for which numerous uses other than fuel have been or are being developed economically. Allied War Supplies, Limited, is using large quantities of natural gas in the manufacture of ammonia in Calgary. Natural Gas may prove to be one of the largest supplies of pure hydrocarbons on the continent and it can be used in many known processes for the manufacture of acetylene, ammonia, alcohols, liquid fuels and other similar chemicals.

11. Until quite recently very little action was taken to preserve the natural gas that was discovered in the search for oil. Research has shown that aside from the use of gas as a fuel it can be used economically and feasibly in the production of synthetic rubber and plastics and that by the Fischer-Tropsch process liquid fuels are obtainable.

12. Implementing a recommendation of the committee in its Interim Report of 1944, the government established the Natural Gas Utilities Board for the purpose of conserving natural gas in the Province. The Board consists of the Chairman of the Board of Public Utility Commissioners and the Chairman of the Petroleum and Natural Gas Conservation Board. The Act is divided into three parts. The first relates to the organization of the Board. The second deals with the general powers of the Board over public utilities and the third gives to the Board new and important powers to deal with production, transmission, storage, and pricing of natural gas in the Province.

The exclusive features of existing contracts for the supplying of natural gas were declared null and void by the Act, which provides that in all other respects contracts must be submitted to the Board for review and alteration but municipal franchises were excluded from such provisions. Natural Gas wells, together with all natural gas pipe lines and scrubbing plants were declared to be public utilities and the Board was given power to require the operators of such pipe lines and plants to construct whatever lines, compressors, etc., necessary to gather in natural gas to be scrubbed and marketed, the excess to be restored to the underground formation and the Board was empowered to fix the price of natural gas at all stages from the well-head to the point where it is delivered to the utilities supplying municipalities and other markets.

The Lieutenant Governor in Council was given power to take over the management of, or to acquire by purchase or to expropriate the business of any company in the event of its non-compliance with orders of the Board requiring the gathering in of natural gas and the Act declared every pipe line company purchasing gas in the field to be a common

purchaser in accordance with the production allowables fixed by the Conservation Board and by this means every producer of natural gas in a field is assured of an equitable share in the markets available.

The Subcommittee Recommends:

That an immediate investigation be made to ascertain the extent of existing and the possibilities of new markets for products, which can be produced by using natural gas.

That a study be made and a report submitted on the possibilities of establishing industries, large and small, based upon the use of natural gas and the establishment of such industries be encouraged by the Province.

Bituminous Sands

13. Extensive research has been conducted to ascertain methods of separating the bitumen and its by-products from the oil sand deposits of the McMurray district. Various grades of paving material and fuel oil have been produced commercially, but there remain many unsolved technical problems and there is still considerable doubt regarding the barrel cost of recovery. With federal assistance, Abasand Oil Company Limited is now building a plant to mine, treat and refine the oil for fuel purposes and the success of the venture will be noted with great interest. Oil Sands Limited is extracting bitumen. It is evident that this product has unique properties upon which various chemical industries might be based.

14. Implementing the committee's recommendation in its Interim Report of 1944, the government has arranged to finance the construction of a plant for the processing of bituminous sands, in co-operation with Oil Sands Limited, for the purpose of establishing the economic feasibility of extracting oil and asphalt from the McMurray oil sands, and to enable the Alberta Research Council to prosecute vigorously its endeavours to still further improve the known processes of commercial extraction. The government will welcome and encourage others to investigate methods of separating the bitumen and its by-products from the bituminous sand deposits.

The Subcommittee Recommends:

That research be continued by the Government of Alberta through its Department of Lands and Mines working in co-operation with the Research Council of Alberta.

That areas of bituminous sands be made available to anyone who presents a process that upon investigation by the Research Council is considered of merit.

Salt

15. The salt deposits near McMurray, according to official survey, contain approximately one-half million tons

per acre, and it is estimated that the quantity of salt within a half-mile radius of the plant would contain approximately two hundred and ninety million tons. The salt tests about 99% pure, and, when powdered, is paper white in quality. The subsidiary of Dominion Tar and Chemical Limited, which has been developing the deposits, recently completed additions to its plant, bringing its capacity to 100 tons per day or double that of 1943. These deposits are located near the bituminous sands and there are also indications that natural gas may be discovered near that area.

16. The discovery of a substantial deposit of salt, 400 feet in thickness, in the Vermilion area at a depth of 3,481 feet should encourage the establishment of chemical industries. The deposit however, is located 11 miles from the railway. The Department of Lands and Mines has been informed that drilling is about to be resumed at Vermilion in close proximity to the railway, and if a deposit of salt is found, action will be taken for the erection of a plant for the development of the deposit.

The Subcommittee Recommends:

That further investigations be made into the uses of natural gas and salt in chemical industries and that the government encourage the establishment of such industries.

Coal

17. While there has been steady growth in the ability and capacity of the coal industry in Alberta to produce, wide variations in volume and value of production, numbers of men employed at various times, intermittent operation of mines and other similar conditions cause serious concern to the industry, produce a violent reaction in the economic life of the Province and militate against orderly and progressive development. The discontinuance of subventions has eliminated the eastern market, although markets west and south have taken more coal. It is obvious from the results of extensive investigation that the problem of the coal industry in Alberta is largely one of an effective national coal policy, as well as of markets and prices, and that the position of this industry in post-war reconstruction will depend largely upon Canada's post-war coal policy. Such policy should be devised upon a long-term basis, include permanent freight rate subventions, if necessary, and provide for other encouragements and safeguards to the industry.

18. Authoritative estimates vary widely, but all indicate that Alberta's potential coal supplies are so large that immediate expansion of production depends solely upon labour supply, availability of machinery, improvement of mining methods, and availability of markets.

19. The problem confronting the coal industry in the year 1935 resulted in the appointment of the Right Honour-

able Sir Montague Barlow, Bt., P.C., K.B.C., LL.D., of London, England, as commissioner to conduct an enquiry into the coal industry in Alberta both in relation to the circumstances under which it was conducted and the possibility of its future development and to report thereon to the Lieutenant Governor in Council.

Sittings for the reception of evidence were held at nine points and verbatim shorthand notes were taken of the proceedings at all the public hearings of the commission and a transcript is filed for reference together with memoranda of evidence and other documents received in the course of the enquiry. Through the investigation numerous mines operating in the various coal mining centres were inspected and, in this work of inspection, the commissioner had the benefit of the able assistance of Mr. William Armour, who acted in a similar capacity to the two enquiries into Nova Scotia coal successfully conducted by Sir Andrew Duncan.

The recommendations of the commission were implemented to the extent permissible under the limited legislative authority of the Province.

20. According to the Canada Gazette of October 21st, 1944, the Honourable Mr. Justice W. F. Carroll, of the City of Halifax, in the Province of Nova Scotia; Angus J. Morrison, Esquire, of the City of Calgary, in the Province of Alberta; and the Honourable Mr. Justice C. C. McLaurin, of the City of Calgary, in the Province of Alberta, were named commissioners, under the Inquiries Act to inquire into and report upon the problems of and matters pertaining to the coal industry in Canada. The Honourable Mr. Justice W. F. Carroll is Chairman of the Commissioners. The commission is holding sittings across Canada at which evidence and documents will be received and the future of the coal industry in Alberta will depend to a great extent on the findings of this Royal Commission and the implementation of its recommendations.

21. Coal formations with very little overburden and of good grade are readily available to transportation and through economical processes could be developed for the production of by-products of coal and such research should be encouraged.

22. Since coal, extracted and used, is destroyed (although it has served a useful purpose) conservation involves making the best and most complete use of it with the least possible damage to the contiguous seams which may not yet be worked. It is not likely that the life of Alberta coal fields will have any limiting effect upon future development, but the life of many present operations is predictable.

23. A very useful publication "Coals of Alberta, Their Occurrence, Analysis and Utilization," Report No. 35, has been issued by the Research Council of Alberta and may be obtained by any interested party.

- (d) The extent of the Ontario and other markets to determine:
 - 1. By analysis the kind and quality of imported coal used by industry and for domestic purposes as actually received;
 - 2. Kinds of coal or other fuel that can be provided as substitutes by Alberta.
- (e) Means of retaining and expanding new southern and western markets.
- (f) The effect of labour relations and prices on the expansion and retention of markets.
- (g) The effect of provincial and federal legislation upon market extension.
- (h) The possibility of establishing iron and steel and other industries based upon the use of Alberta's coal.
- (i) The extent to which provincial and federal governments may collaborate on these matters.
- (j) The possibility of laying the groundwork for further research by gathering, studying and correlating all available provincial and federal data and reports and deciding what further effect can be given to recommendations already made.
- (k) The possibility of co-operating with research bodies of other countries to obtain their reports and benefit from their experience and decisions.

That maps should be made available to the industries by the Department of Lands and Mines showing:

- (a) Known coal areas with the location of important mines.
- (b) Coal lands alienated by freehold or lease and those still held in the right of the Province.

Other Minerals

24. A great amount of exploratory and research work remains to be done in connection with possible mineral deposits in Alberta. Therefore, the committee is unprepared at the moment to report upon their relation to post-war reconstruction. However, bentonite from the Drumheller region is replacing certain proportions of the imported products used in drilling oil wells with rotary equipment. Medicine Hat's glass-making plants are importing silica at considerable cost while large quantities of silica, presently not available because federal regulations prohibit mining in national parks, exist near Banff and should be investigated. Furthermore, some reports indicate that the tailings from operations in the McMurray oil sand areas may be suitable for glass manufacturing. Pottery and brick clays are plentiful in some districts and sandstone, suitable for building purposes, is abundant. Travertine of high quality and durability exists in the foothills, and talcum has been discovered in large quan-

titities. Gypsum occurs in Jasper National Park and at other points in northern Alberta and, of course, cement has been produced commercially at Exshaw for many years.

25. Data is being compiled continuously through the efforts of oil companies to make new discoveries of oil structures and arrangements have been made for the publication of maps showing all locations drilled. Arrangements have been completed for accommodation where cores and samples will be stored for examination and the mining industry may have advantage of the facilities that the department provides through the geological laboratory connected with the Petroleum and Natural Gas Conservation Board.

The Subcommittee Recommends:

That further research as may be expedient be carried on in order that all possible information may be available for the use and employment of experts immediately after the war so that they, in turn may discover more readily further extensive uses for these resources and so that preliminary information regarding markets may be obtained.

Forests

26. Alberta's forest fire losses have amounted to the colossal sum of approximately \$96,198,150.00 during the ten-year period ending December 31st, 1944, according to statistics compiled for the committee. These included the destruction of 2,806,290,000 feet b.m. and 7,797,800 cords of wood. This represents an enormous economic loss to the Province and indicates the urgent need for greatly expanded fire prevention facilities. The cut of lumber during the same period measured 1,667,256,673 feet b.m. and 283,128 cords of wood.

27. Recognizing the important place that radio might take in forest protection, the government in the year 1938 set up a radio detection system but it was not until the year 1940 that there was any substantial activity. At present the government has eight headquarter stations, 13 radio control towers, 89 portables on the ground and 15 radio equipped cars, at a capital cost of \$60,000.00. Through radio a decided improvement has resulted in the actual annual expenditure in fire fighting and the loss sustained in the destruction of valuable forest resources. Control towers have been able to detect fires but, due to the difficulty in the immediate securing of fire fighters, there has sometimes been considerable delay before suppressive action could be taken.

28. There has never been a physical inventory made of the forest resources of the Province as to area, species and commercial uses, accessibility, age, possibility of economic development and annual increment. Therefore, one cannot

now determine whether the annual cut and fire losses, fungus, and pest losses equal or exceed the annual increment. All of the above are essential to the planning of the proper utilization of the forests and also their conservation. Actually much of the work in securing the needed data should come under the heading of post-war development. It is very questionable that the present rate of cutting, excluding fire and other losses, within the known areas capable of economic operation, and in remunerative market areas, can be continued for many years without improved forestry practice.

29. There is a serious lack of detailed information about many conditions pertaining to various phases of forestry work. A detailed study should be made of factors pertaining to reforestation of cut-over and burned-over lands, having regard to the total area and the most suitable species to be used, due consideration being given to their commercial value and rapidity of growth. This will entail heavy expense for which no returns will accrue for many years, but it is essential work if the resources of the forest are to be saved from rapid depreciation and the land saved from soil erosion and soil drifting.

30. Lands shown by soil surveys to be marginal or sub-marginal should not be opened to agriculture, but reserved for afforestation with trees selected with regard to both rapidity of growth and the marketability of their lumber. The proper selection of species is vitally important, because it takes from 80 to 100 years for reforested land in Alberta to reach commercial value. Because of this great importance is attached to the necessity for immediate research work.

31. The area of perpetual forested lands necessary to protect the water-sheds should be thoroughly examined and a close study should be made in conjunction with the Dominion Government of the results of such examination. Such water-sheds being of value to other provinces, the cost of protection of these water-sheds should be a matter of immediate negotiation.

32. Alberta has been remarkably free from insect infestation with the exception of the Larch (Tamarac) Saw-fly, the effects of which are still in evidence. However, a careful watch should be kept for any signs of insect infestation and plans laid to counteract same. One in particular should be carefully watched for, namely the Eastern Spruce Beetle which caused and is causing, considerable damage in some parts of Eastern Canada.

33. It is expected that there will be a considerable increase in Alberta's population after the war. Such increase will require lumber for housing, and farm buildings, etc. And this should be supplied principally from our own forests, thus incidentally providing local employment for agricultural workers in slack seasons.

34. There are many large areas of standing timber which have reached maturity and, if left undeveloped, will commence to deteriorate within a few years. Many of these areas are not within economic distance of rail transportation. The feasibility of making them accessible should be studied and consideration given to making them available for development under especially attractive terms of dues and rental, because, in a few years such forests may deteriorate and become a liability rather than an asset.

35. The Forest Ranger staff should be increased and, in view of the greatly increased duties and responsibilities incumbent upon them and the fact that they may be required to participate in research and educational work, they should receive special training.

36. An exact study should be made of the possible lumber requirements of the coal industry. Steps should also be taken to insure that all cross ties used for railway construction and maintenance be properly treated and a survey should be made of all areas within reasonable distance of rail transportation on which Lodgepole and Jackpine predominate.

37. The Forestry Branch of the Department of Lands and Mines is preparing a detailed and extensive programme for post-war reconstruction which, in more than ten forest districts, will supply approximately 847,000 man days of labour and embrace road and trail construction, erection of buildings and cabins for tourists, fire rangers and game wardens, cutting forest boundaries, erection of telephone lines and look-out towers, planting, entomology, pest control, sample plots, etc.

38. Federal participation in this work is imperative because, although approximately 159,000 square miles of forested water-shed lie in Alberta, they feed interprovincial river systems upon whose waters other provinces and districts depend.

The Subcommittee Recommends:

That the Research Council of Alberta, in co-operation with the Forestry Branch, continue its compilation of the above required data.

That fire prevention services be expanded and that an immediate study be made of the feasibility of the use of smoke jumpers in fire suppression, the use of aircraft in forest patrol work and the utilization of radio communication to co-ordinate the various activities of the detection and suppression forces.

That an immediate study be made of the critical situation arising out of the rapid depletion of lodgepole and jackpine used for cross ties by railways for construction and maintenance with the possible object of making the treatment of all cross ties compulsory.

That, in co-operation with the Department of Trade and Industry and with the assistance of the Research Council of Alberta a study be made to determine the possibility of establishing pulp mills and to investigate the practicability of utilizing birch and poplar in the pulpwood industry.

That arrangements be made for an aerial survey and ground-crew check of all standing timber within reasonable distance of rail facilities; run survey lines and prepare maps and other information regarding species, their localities, etc., and that negotiations be continued with the federal government to bear its share of the expense of these necessary efforts which affect Canadian territories and people outside the Province.

That special efforts be made to utilize mature stands and burnt-over areas before they deteriorate.

That a programme be inaugurated to train men for the forest service through courses in insect and disease control or eradication, reforestation, wildlife protection, silviculture, soils conservation and methods of forest protection.

That measures be taken for the education of the general public on the importance of forests and forestry protection.

That measures be taken for the education of the general public on the importance of forests and forestry industries and the interest and responsibility of each individual citizen.

That a centralized bureau is of immediate importance to correlate all scientific research information in the fields of silviculture, wood utilization, forest protection and forest economics and that it be the responsibility of this bureau to maintain statistical surveys so that information will be available to the industry.

Watersheds

39. At present, the Alberta Government must bear all the expense of maintaining fire wardens, radio, road and telephone communication and must meet fire fighting costs throughout the entire water shed, except in the National Parks.

40. As noted above, the proposed improvement will help considerably to solve Canada's post-war employment problem. In view of the fact that this watershed is of national importance, its preservation being vital to the whole prairie region and since these urgently necessary improvements will entail expenditures beyond the ability of the Alberta Government to meet, federal financial aid will be essential before any definite programme relating to the watershed can become operative.

The Subcommittee Recommends:

That the Alberta Government urge upon the Dominion Government the need for immediate action to assist the Alberta Government in preserving the eastern watershed of the Canadian Rockies, and, further, that the Dominion Government bear the necessary cost for the protection and conservation of the forests on this watershed.

Lands

41. Though there are millions of acres of land in Alberta about which we have no information as to suitability for settlement elaborate statistics have been prepared for the committee from which it is estimated that about 9,000 farm families might be settled on approximately 35,000 quarter sections of arable Crown lands in the Grande Prairie, Peace River and Fort Vermilion districts under some degree of restriction or supervision which may be necessary as indicated by meteorological reports. It is further estimated that when proposed irrigation projects in the southern part of the province are completed approximately 9,600 more families could be accommodated. This would indicate that Alberta Crown lands may accommodate approximately 18,000 more farm families on the present basis of land cultivation, and when the proposed irrigation projects in the south are completed.

42. The Alberta Government became convinced that the giving of land as homesteads, leaving to the individual the choosing of the land left a great deal to be desired and was, in fact, the cause of so many failures and for some years it has directed settlement to those areas where the soils have been classified, thus insuring economic security to the farmer and at the same time preserving the lands to the future generation.

43. The classification of the soil plays a very important part as through such surveys it is determined whether the land is suitable for cultivation, grazing or should be retained for reforestation, and lands in the drought area that cannot be brought under irrigation should be taken out of agriculture and a systematic programme of regrassing should be inaugurated.

44. To assist the correlation of soil with land utilization, a thorough study should be made of weather conditions that have prevailed throughout the various parts of the province and such information should be of value in determining the best methods of controlling soil drifting.

45. The establishment of community pastures should be encouraged and the government should proceed with the immediate development of dams, dugouts and wells as without adequate water supply large areas of grazing lands in the drought districts have no economic value.

46. Land tenure is of interest to every farmer whether he owns the property or is a tenant because if conditions are not favourable to the growing of crops he becomes burdened with debts with very little prospects of being able to take care of these obligations. It was with these facts in mind that the government inaugurated the system of leasing agricultural lands on a crop share basis, which includes the taxes, and, if his crop is under five bushels to the acre, the lessee receives exemption from the payment of a share of the crop. This arrangement has been advantageous to the settler and the government and it might be a principle that could very well be applied in the case of land under title subject to taxation.

47. The present method of making land available for civilian settlement is by the agricultural lease system. By this method a person who desires to become established on the land may make application for a half section or 320 acres of vacant Crown land within an area where large areas are suitable for agricultural purposes. If a survey shows that the land is suitable and situated where schools, roads and other social services can be made available at reasonable cost, the settler is given a lease for 20 years, renewable, on which he pays no rent, nor taxes for the first three years, but is required to do some duties. After the third crop year he is to pay one-eighth of the crop, provided he gets at least five bushels per acre. If he gets less than five bushels per acre in any year he is not required to pay any rent or taxes, nor do any arrears of rent or taxes build up in this case. At the time he takes out the lease a value is placed on the raw land and any time after ten years of satisfactory leasing, he may buy the land at its value in the raw state or he may continue to lease if he so desires. The lessee is required to preserve sufficient of the growing timber for shade and shelter in clumps or plantations for future use, and where there is no native tree growth the lessee shall plant shelter belts and windbreaks.

48. By the agricultural lease method the tenant is protected against arrears of taxes and rent in case of crop failure. However, the question of assistance to the settler by means of clearing and breaking is one which has been raised and should be seriously considered by the government.

49. The Alberta Government has given emphatic assurance to the Dominion Government that it will co-operate to the fullest possible extent with the federal programme for settlement under The Veterans' Land Act and, to this end, a co-ordinating committee has been established under the chairmanship of Mr. O. S. Longman, Deputy Minister of Agriculture. The above named committee estimates that about 10,000 veterans who have not less than two years farming experience might choose to settle in Alberta.

50. Several problems relating to procedure of settlement, responsibility, disposition of abandoned land, leasing arrangements, rate of settlement and soil survey have arisen out of The Veterans' Land Act and are receiving attention.

While these problems are a matter of negotiation, the Alberta Government has withdrawn in the interest of veterans' settlement the vacant provincial land. Also the Alberta Government will make available to purchase by the Director, The Veterans' Land Act, any lands belonging to the School Endowment Fund, the price to be fixed by two arbitrators, one appointed by the Minister of Lands and Mines, Alberta, and the other by the Minister of Mines and Resources, Ottawa.

51. The committee has been advised that the Alberta Government has consistently held that it is neither desirable nor fair that returned men who qualify as veterans under the Veterans' Land Act should be forced to incur an excessive burden of debt in order to become established on the land after the war, and has urged the Dominion Government to make an outright cash grant of at least \$3,000.00 to each veteran; further that the Alberta Government is prepared to make available to each Alberta veteran a half-section to be farmed by him for ten years at the end of which time he will be given free title to the land and is also prepared to pay one-half the costs of clearing and breaking a minimum of forty acres on each half-section unit of land, if the Dominion Government will pay the other half.

52. The planting of windbreaks and shade trees should be encouraged and arrangements should be made with the federal authorities for the establishment of a tree nursery in Alberta, which would be an incentive and encouragement to the settler as his stock for planting would be readily accessible.

53. Realizing that settlement problems frequently involve the Department of Lands and Mines, Agriculture, Education and Municipal Affairs and demand information which must be supplied by all of them as well as by the Research Council of Alberta, the University of Alberta and others, the committee, working in close co-operation with all of them, has given careful attention to the problems of land settlement as they affect all branches of administration and it is strikingly evident that the closest co-ordination of effort among them is essential to successful land settlement.

The Subcommittee Recommends:

That both soil and land surveys be conducted immediately over large areas of Alberta so as to be ready for settlement at the end of the war and that the Dominion Government be urged to assist with this work.

That further study be given to ways and means of assisting the lessee in clearing and breaking, and becoming established permanently on the land.

That careful and extended study be given to the important question of land tenure in an endeavour to recommend principles which will offer the greatest security of occupation.

That a thorough study be made of cultural and live stock practices to control disease and insect pests, such as the Warble fly.

That a committee should be established to make a detailed study of both the agricultural and the ranching industries as well as mixed farming and to advise the government as to the most economic size of farm and ranch units according to the areas of the Province and this committee could very well at the same time give consideration to the best methods for the disposition of lands belonging to the government, whether such disposition should be made by way of title or through a leasing arrangement. Further work that might be assigned to this Board might be the study of industrial uses of agricultural products.

Fish

54. Lack of information regarding northern lakes, rates of growth and ages of fish, fish foods, bacterial content of lake waters, and improved methods of hatching and rearing fish seriously hampers intelligent planning for the post-war development of our fisheries. It is important that a careful study be made and research carried out which will make available information which is so important in this regard. Fish marketed during the past year totalled 7,632,553 pounds or approximately 3,816 tons. It is impossible to estimate accurately the annual potential supply of northern lakes, but that of commercial lakes readily accessible to markets, including all species, may be approximately 10,607 tons, of which about 4,500 tons would not be readily marketable.

55. Difficulty having arisen at the International Boundary with the inspection of fish under the Pure Food Laws of the United States of America, the Government of Alberta began the examination of fish for export with the result that it was found that fish were well within the tolerance set by the Pure Food Regulations. However, the matter of export being outside the authority of the Government of Alberta, it was necessary to approach the Dominion Government resulting in a conference on this subject between the three western provinces of Manitoba, Saskatchewan and Alberta and the Dominion of Canada. Arrangements were completed at this conference for the inspection of the lakes and the grading of fish for home consumption as well as for export. A considerable number of lakes have been investigated and it is pleasing to note that Alberta is in a very favourable position to meet the Pure Foods requirements.

56. In order to make the fish more attractive to the buying public, consideration might well be given by the fish dealers to proper packaging of the fish, so as to give them a greater eye appeal.

57. Inasmuch as some of our returned men will be interested in commercial fishing, consideration might well be given to the possibilities of making available special fishing privileges for the purpose of rehabilitating returned men in this industry. The possibility of such a programme requires careful consideration by those in charge of these resources, and if found feasible immediate action should be taken to accomplish this.

58. Rearing ponds now in operation handle approximately one-half the production of the Calgary Fish Hatchery. Proposed rearing ponds at Calgary will add space for an additional 500,000 fingerlings.

59. The Fish Dealers' Act passed by legislation, 1944, will give orderly marketing to all types of commercial fishing within the Province. This should lead to more confidence by the buying public with increased business.

60. Under the present conservation policy, the Government of Alberta has two provincial fish hatcheries and a number of rearing ponds which function principally to restock lakes and streams, but plans should be laid immediately in co-operation with the federal government to expand research facilities.

61. Owing to the fact that the school children of today will be responsible in the very near future for administering the affairs of the Province, the committee recognizes the importance of educating them as to the value of our natural resources and the great need of their conservation. In order to assist in this programme consideration might well be given to the possibility of distributing booklets with coloured pictures, by means of which school children might become better acquainted with the fish, birds and wild animals of our Province. By proper use of these booklets it would be possible to instil in the minds of the children the need of conservation.

The Subcommittee Recommends:

That as soon as feasible, investigation be conducted to determine:

- (a) Possible production volume and species of Alberta's lake fish.
- (b) Accessibility of lakes by land and air.
- (c) Best methods of grading fish and control of parasites.
- (d) Additional processes for marketing, including filleting, smoking, canning, refrigeration and packing.
- (e) Advisability of establishing community cold storage plants.
- (f) The best methods of improving lakes and streams for increasing fish food and other facilities for sport and commercial fishing.

- (g) The feasibility of making fishing privileges available to our returned men.

That fish hatcheries and rearing pond facilities be increased as rapidly as possible.

Fur Bearing Animals

62. Alberta's fur production from July 1st, 1943, to June 30th, 1944, amounted to \$4,686,505.62 and involved the sale of 1,513,927 pelts from 20 species of animals. Mink topped the list in total value at \$1,367,854.04 but Fisher brought the highest average price per pelt at \$55.83 and Beaver brought an average price of \$34.61 per pelt. There are about 1,150 registered fur farms and about 3,000 registered trap lines in Alberta.

63. The committee has had under consideration a number of suggestions, but further study is recommended to the advisory committee to the Department of Lands and Mines. These include extension of trapping areas, encouragement of transfer of animals; development of co-operative fur farms; research regarding the periodic cycle of increase and decline in animals; improved trapping methods; extended uses for cheap fur; inter-provincial co-operation in drafting regulations, seasons, etc.; predator control; game warden employment; big game licenses; additional sanctuaries and reserves and other matters, many of which require immediate and constant attention.

64. Beaver ensure water levels for the protection of fish, water barriers for the protection of timber and have a far reaching effect upon maintaining a more constant flow of water throughout the Prairie Provinces.

65. During 1944 the department transferred to the east slope watershed approximately 100 live beaver from areas where they were creating damage. In addition the Indian Affairs Department moved approximately the same to Indian Reserves and Indian Registered Trapping Areas.

66. Following the recommendations of this committee in its Interim Report, 1944, we are advised that the government has been in consultation with other provinces in regard to uniformity of regulations regarding fur bearing animals, including fur royalties, and much progress has been made, with the result that more uniform regulations have been enacted, and royalties are now based more closely on the value of the fur.

67. The committee has also under consideration a proposal that short courses be organized in schools of agriculture or in cities to give instruction on the care and breeding of fur-bearing animals, the care of pelts, etc. This involves further consideration of possible demand for such instruction, obtaining capable instructors, suitable accommodation, costs, etc.

The Subcommittee Recommends:

That the investigation and study of fur production methods and uses of fur be continued.

Game Birds

68. The large unsettled areas to be covered and the lack of expert help have rendered it impossible to obtain even an approximate survey of the game bird population of Alberta or to obtain accurate information regarding the possible faring of birds recently released, but it is known that some species, notably the chukar partridge, have disappeared, while others, like the ring-neck pheasant, have adapted themselves rapidly to local conditions.

69. A game farm is being established at Brooks for the rearing and distribution of pheasants and it is thought that we now have adequate varieties of species of game birds.

70. Further research should include investigation of rates of increase or decrease among newly released game birds; other species which might become valuable game birds; diseases and enemies of game birds; and needs and facilities for additional sanctuaries and reserves.

The Subcommittee Recommends:

That research pertaining to game bird propagation and care be continued.

Surveys

71. The boundaries of the Province have not all been completely established but, since the transfer of the natural resources, the eastern boundary from south of Lake Athabasca to the north-east corner of the Province have been surveyed. The north boundary has not yet been established, nor has the western boundary north of the Peace River Block. There remain unsurveyed a substantial mileage of base lines, which are essential for projected surveys.

72. The original survey work in the Province was completed many years ago and, owing to brush and tree growth and other causes, the locations of mounds and survey lines are difficult to ascertain.

The Subcommittee Recommends:

That the Government of Alberta should immediately negotiate with the Dominion of Canada for the establishment of the boundaries of the Province and that base lines should be completed.

That in the interests of prospectors and to assist in the placing of settlers upon the land, immediate action should be taken for the restoration of surveys and that new surveys should be made of lands that have potential agricultural value when and as classified by soils surveyors.

RECOMMENDATIONS

1. That though Turner Valley has been producing for twenty years, the oil industry in Alberta be regarded as still in its infancy and further study be devoted to incentives to private enterprise to continue explorations.

2. That the Alberta Government continue to maintain regulations of the industry to ensure that exploration, drilling and production be conducted in the best interests of the industry and the people.

3. That in the interests of exploration the Alberta Government negotiate with the federal authorities for the continuation and completion of the aerial photography of the province so that maps may be made correlating such aerial photography with topographical surveys.

4. That reconnaissance surveys be undertaken to complete the geological information of the province and that a map be made available showing the information ascertained from geological and geophysical examinations and through drilling operations.

5. That an immediate investigation be made to ascertain the extent of existing and the possibilities of new markets for products, which can be produced by using natural gas.

6. That a study be made and a report submitted on the possibilities of establishing industries, large and small, based upon the use of natural gas and the establishment of such industries be encouraged by the province.

7. That research be continued by the Government of Alberta through its Department of Lands and Mines working in co-operation with the Research Council of Alberta.

8. That areas of bituminous sands be made available to anyone who presents a process that upon investigation by the Research Council is considered of merit.

9. That further investigations be made into the uses of natural gas and salt in chemical industries and that the government encourage the establishment of such industries.

10. That every endeavour be made by the government and the industry to secure a definite progressive national coal policy.

11. That further research be conducted to ascertain:

- (a) The possible post-war position of Alberta's coal as affected by Federal Government policies.

- (b) Means of extending markets by long-term subventions or otherwise.
- (c) Means of establishing a satisfactory system of grading coal for export.
- (d) The extent of the Ontario and other markets to determine:
 - 1. By analysis the kind and quality of imported coal used by industry and for domestic purposes as actually received;
 - 2. Kinds of coal or other fuel that can be provided as substitutes by Alberta.
- (e) Means of retaining and expanding new southern and western markets.
- (f) The effect of labour relations and prices on the expansion and retention of markets.
- (g) The effect of provincial and federal legislation upon market extension.
- (h) The possibility of establishing iron and steel and other industries based upon the use of Alberta's coal.
- (i) The extent to which provincial and federal governments may collaborate on these matters.
- (j) The possibility of laying the groundwork for further research by gathering, studying and correlating all available provincial and federal data and reports and deciding what further effect can be given to recommendations already made.
- (k) The possibility of co-operating with research bodies of other countries to obtain their reports and benefit from their experience and decisions.

12. That maps should be made available to the industry by the Department of Lands and Mines showing:

- (a) Known coal areas with the location of important mines.
- (b) Coal lands alienated by freehold or lease and those still held in the right of the province.

13. That further research as may be expedient be carried on in order that all possible information may be available for the use and employment of experts immediately after the war so that they, in turn may discover more readily further extensive uses for these resources and so that preliminary information regarding markets may be obtained.

14. That the Research Council of Alberta, in co-operation with the Forestry Branch, continue its compilation of the above required data.

15. That fire prevention services be expanded and that an immediate study be made of the feasibility of the use of smoke jumpers in fire suppression, the use of aircraft in forest patrol work and the utilization of radio communication to co-ordinate the various activities of the detection and suppression forces.

16. That an immediate study be made of the critical situation arising out of the rapid depletion of lodgepole and jackpine used for cross ties by railways for construction and maintenance with the possible object of making the treatment of all cross ties compulsory.

17. That, in co-operation with the Department of Trade and Industry and with the assistance of the Research Council of Alberta a study be made to determine the possibility of establishing pulp mills and to investigate the practicability of utilizing birch and poplar in the pulpwood industry.

18. That arrangements be made for an aerial survey and ground-crew check of all standing timber within reasonable distance of rail facilities; run survey lines and prepare maps and other information regarding species, their localities, etc., and that negotiations be continued with the federal government to bear its share of the expense of these necessary efforts which affect Canadian territories and people outside the province.

19. That special efforts be made to utilize mature stands and burnt-over areas before they deteriorate.

20. That a programme be inaugurated to train men for the forest service through courses in insect and disease control or eradication, reforestation, wildlife protection, silviculture, soils conservation and methods of forest protection.

21. That measures be taken for the education of the general public on the importance of forests and forestry protection.

22. That measures be taken for the education of the general public on the importance of forests and forestry industries and the interest and responsibility of each individual citizen.

23. That a centralized bureau is of immediate importance to correlate all scientific research information in the fields of silviculture, wood utilization, forest protection and forest economics and that it be the responsibility of this bureau to maintain statistical surveys so that information will be available to the industry.

24. That the Alberta Government urge upon the Dominion Government the need for immediate action to assist the Alberta Government in preserving the eastern watershed of the Canadian Rockies, and, further, that the Dominion Government bear the necessary cost for the protection and conservation of the forests on this watershed.

25. That both soil and land surveys be conducted immediately over large areas of Alberta so as to be ready for settlement at the end of the war and that the Dominion Government be urged to assist with this work.

26. That further study be given to ways and means of assisting the lessee in clearing and breaking, and becoming established permanently on the land.

27. That careful and extended study be given to the important question of land tenure in an endeavour to recommend principles which will offer the greatest security of occupation.

28. That a thorough study be made of cultural and livestock practices to control disease and insect pests, such as the Warble fly.

29. That a committee should be established to make a detailed study of both the agricultural and the ranching industries as well as mixed farming and to advise the government as to the most economic size of farm and ranch units according to the areas of the province and this committee could very well at the same time give consideration to the best methods for the disposition of lands belonging to the government, whether such disposition should be made by way of title or through a leasing arrangement. Further work that might be assigned to this Board might be the study of industrial uses of agricultural products.

30. That as soon as feasible, investigation be conducted to determine:

- (a) Possible production volume and species of Alberta's lake fish.
- (b) Accessibility of lakes by land and air.
- (c) Best methods of grading fish and control of parasites.
- (d) Additional processes for marketing, including filleting, smoking, canning, refrigeration and packing.
- (e) Advisability of establishing community cold storage plants.
- (f) The best methods of improving lakes and streams for increasing fish food and other facilities for sport and commercial fishing.
- (g) The feasibility of making fishing privileges available to our returned men.

31. That fish hatcheries and rearing pond facilities be increased as rapidly as possible.

32. That the investigation and study of fur production methods and uses of fur be continued.

33. That research pertaining to game birds propagation and care be continued.

34. That the Government of Alberta should immediately negotiate with the Dominion of Canada for the establishment of the boundaries of the province and that base lines should be completed.

35. That in the interests of prospectors and to assist in the placing of settlers upon the land, immediate action should be taken for the restoration of surveys and that new surveys should be made of lands that have potential agricultural value when and as classified by soils surveyors.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE
REPORT OF THE POST-WAR
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Alberta Post-War Reconstruction Committee

DEPARTMENT
OF
POLITICAL ECONOMY

REPORT of the Subcommittee on PUBLIC WORKS

- ◆ Railways
- ◆ Highways
- ◆ Public Works by Local Authorities
- ◆ Town Planning
- ◆ Light, Water and Sewage Disposal
- ◆ Markets and Local Roads
- ◆ Aviation
- ◆ Summary and Recommendations

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REPORT

of the

Post-War Reconstruction Committee

1945

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Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
 2. Alberta Post-War Survey.
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INTRODUCTION

The Post-War Reconstruction Committee was established with passage of the Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Mr. A. J. Hooke, M.L.A.

By Order in Council Number 1004/43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943 are detailed in the Interim Report, presented to the Lieutenant Governor-in-Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and uncompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Mr. Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the sub-committee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the sub-committee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a province-wide survey of household, farm, business, industrial and municipal programs for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labor organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. Today the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

Today, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavor, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator. And yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. And one of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein become the property of those who use them to create and acquire more property. Thus, the fruits of their labor become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it today; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of totali-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized today, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces: policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple: it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavor to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally as obvious is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human wants." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this: to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favored freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labor-saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labor, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labor-saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created. And since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfillment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee of persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have labored at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor-in-Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

LETTER OF TRANSMITTAL



December 20, 1945.

Hon. A. J. Hooke,
Chairman,
Post-War Reconstruction Committee,
Legislative Building,
Edmonton, Alberta.

Dear Sir:

I have pleasure in submitting to you the final report of the Subcommittee on Public Works, appointed to study problems of post-war significance as detailed in our terms of reference. At the conclusion of our studies, I wish to express sincere appreciation to those who have assisted my Subcommittee during the period of its existence, and to the members of the General Committee for their counsel and cooperation.

Yours faithfully,

E. J. MARTIN,
Chairman, Subcommittee on
Public Works.

PUBLIC WORKS

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Report of the Subcommittee On Public Works

. . .

There is such a need and scope for a large volume of public works in the Province of Alberta, that it would be fruitless to attempt any complete tabulation of necessary works as their cost would far exceed any budgetary allotment likely to be made for their carrying out. Numerous briefs have been received directing attention to specific needs and requirements, but, as their final determination must remain questions of policy for the Government of the day, it has not been considered wise to comment on the feasibility and desirability of any of these and they are filed with the records of the Committee for such future action as may be appropriate.

ACTIVITIES WITHIN THE SPHERE OF THE SENIOR GOVERNMENTS

Railways

The British North America Act, in dividing the various responsibilities between the Parliament of Canada and the Provincial Legislatures, placed upon the Provinces the power to deal with local works and undertakings excepting, as far as this report is concerned, railways or other undertakings connecting the Province with another Province and such other works declared by the Parliament of Canada to be for the general advantage of Canada or two or more provinces.

One of the major activities of the Dominion Government in the Province has been in connection with railways, and the following is a short review of present facilities:

Alberta has 5,746.6 miles of steam railway, made up as follows:

Canadian Pacific Railway	2,660.9
Canadian National Railways	2,189.9
Northern Alberta Railways (Jointly owned by C.N.R. and C.P.R.)	895.8

The total mileage in proportion to population is relatively high, being about four times that of the United States' per capita mileage. On the other hand, in proportion to area, the mileage is relatively low, the United States having about three and a half times as much mileage per square mile. Even if attention is restricted to the area south of the 55th parallel, Alberta's railway net is considerably below that of other well developed parts of the world.

In the past, railroad construction generally took place in advance of settlement and traffic development, which policy was an important contributing factor in Canada's pre-war railway problem. In many cases, traffic did not follow in sufficient abundance and lines were operated at annual deficits. Railway lines once built may be abandoned only under very exceptional circumstances, indicating that the greatest care must be exercised in considering post-war railway projects, while at the same time, deficits for a number of years may be expected and would be justified if required to develop major resources, as for example in the North West Territories, which would place such construction in the category of a Dominion undertaking.

The one part of the Province with a serious complaint about railway service is the Peace River Country. A Western outlet to the Pacific Coast would seem to be what is most desired and would be wholly outside Alberta. To ensure benefits from such construction, it would be necessary for such service to be efficient and that rates be not expanded by surcharges such as "mountain rates", etc.

The whole economic life of the Province depends upon maintenance of efficient railway service and it becomes necessary to consider the growing competition by motor carriers. Main highways in Alberta, generally, are parallel to railways and it is self evident that if sufficient inroads on railway revenues are made, the public will be affected by:

(a) Failure to obtain reduced rates or perhaps, necessity for increased rates;

(b) Less efficient service or failure to obtain improved services;

(c) Providing for railway deficits through taxation and diversion of public funds that could be more profitably used elsewhere.

Transportation by road is the logical solution of transport problems in sparsely settled and light traffic areas. The biggest difficulty here has been some tendency in the past for road carriers to abandon such districts for more lucrative ones.

However, such competition in transportation very rarely has been anything but injurious to anyone concerned. Efficient public regulation and rigid control of rates, fares and service can give the public ample protection against abuses. The consistent increase in motor competition gives indication there is a point beyond which such competition cannot be allowed and that regulation will be necessary to ensure that motor carriers operate other than as major competitors with our railway systems.

Provincial Highways

The Alberta Department of Public Works has planned a highway programme to bring the existing main highway system up to standard and to increase the present 3,800 miles to 6,000 miles, at an estimated cost of \$83,000,000; improve and increase district highways from 2,000 to 4,000 miles at \$15,000,000; tour-

ist roads from nil to 700 miles at \$7,000,000 and local development roads from 40,000 to 55,000 miles at an approximate cost of \$15,000,000, all of which would involve an approximate cost of \$120,000,000 and supply employment for about 5,000 men annually for approximately ten years. It is pointed out, however, that this would involve more than twice the total annual budget of that Department, for all purposes, in previous years, and furthermore, there may be a period at the end of the war when sufficient machinery will not be available for extended programmes.

Another major activity of the Department is the construction and maintenance of Public Building in the Province, a schedule of suggested buildings being set out in the Interim Report of this Committee. There a similar problem arises for the required expenditures would be in excess of \$2,000,000 per year for the ten year period required to carry out the program, and this would be in addition to what might be termed, normal and ordinary expenditures.

PUBLIC WORKS BY LOCAL AUTHORITIES

Public Works carried on in Canada seem to have followed a definite trend toward concentration on large and perhaps spectacular works, while at the same time corresponding attention has not been given to those matters that have a much greater and more intimate effect upon the daily lives of Canadian citizens.

Town Planning

The Province of Alberta came into being at a time when a heavy influx of immigration was taking place. The Government of the day had many other immediate problems to deal with, and cities, towns and villages mushroomed into being, practically without guidance, at a time when speculation in land and subdivisions was rife, regulatory enactments had not come into being and every condition prevailing was unfavourable to planned and orderly development.

As a result of these adverse circumstances, many of our business centres throughout the Province are unattractive in appearance and lacking in the virtues that appeal to people desirous of establishing either businesses or permanent homes. The intervening years have been spent to some extent, in attempting to bring some order into the original chaotic conditions. Here and there progress has been made, but generally speaking, the carrying out of local development has been retarded or if carried out has been done at greatly increased cost. Ten years of war and the depression period have also been factors in increasing the backlog of needed works. It thus appears unlikely that a similar opportunity will again occur to bring a number of beneficial changes into effect, and it is important that the probabilities of the future be carefully weighed so as to ensure orderly and lasting improvement.

Housing will undoubtedly play an important part in post-war activities. There are the new housing schemes. It is recognized that building is not keeping pace with requirements and

certain deductions may be made from a study of the 1941 census returns relating to the Province of Alberta, which show the following:

Age Group	Males	Females	Total	Excess of
				Males
60 to 64 years	16,858	10,810	27,668	6,048
55 to 59 years	23,081	14,684	37,765	8,397
50 to 54 years	25,845	17,628	43,473	8,217

In each succeeding five year age group, progressing downward, it is found that while the total number in each group becomes larger, the disparity between the number of males and females decreases, until we find in the age group 0 to 29 years, containing 445,944 persons, the total spread between the numbers of males and females is only 6,338, while in the age group from 30 years upward, containing 350,225 persons, the surplus of males is 50,409.

Thus it follows that apart from possible immigration and other normal population expansion, the future ratio of marriages to population will increase, as will the resulting demand for homes.

The corollary is that the future population of Alberta will not contain as high a percentage of bachelor labor, which hitherto has been willing and able to move about the country whenever occasion demanded, untrammelled by home ties.

This situation cannot escape the attention of either Governments or town planners.

While the Committee does not feel it safe to attempt any prediction of the rate of future growth of population in the Province of Alberta, it does seem assured that a healthy and substantial increase will take place, showing further need of expanded residential areas, and this, in turn, calls for a close study at this opportune time of all steps that may be needed to assure that when necessary homes are provided, the amenities now considered an integral part of modern life, are there also.

Much as it would appear desirable to divorce all connection between Public Works and anti-depression measures, it seems impossible to do so, unless one accepts that the chief solution to any unemployment problem that may arise, is payment of relief sums or doles for maintenance of unemployed persons. The existing lack of that facilities might have been provided but for the wastage occurring through unemployment has served to focus attention on this matter.

This thought is admirably set out in the final report of the (Ottawa) Subcommittee on Reconstruction, dealing with Publicly Financed Construction Projects (Vol. 3, Page 18):

"It is further observed that even if other measures which may be effected prevent the occurrence of periods of recession, the effort expended on the preparation of a programme of construction projects will in no way be wasted. The projects forming the programme will be required as fully under those circumstances as in the recession period, the difference being that

they can be more readily financed owing to the greater amount of production and consequent employment, and may be carried out with less regard solely to their employment providing means. The general situation will as fully demand their accomplishment.

"In the social betterment field, this is fully as true, and is particularly recognizable in the sphere of urban and rural housing and planning. There is increasing recognition of the inadequacy, if not almost total lack of these in the presently existing communities, and the consequent detriment to physical and cultural standards of Canadian family and community life. The present offers an opportunity unequalled in our history, and one which may not recur in anything like the present measure, to develop a truly Canadian aspect of community and family life, to provide community centres, to enhance pride in home-ownership with the development of designs for homes of acknowledged Canadian types of architecture, and this can apply in as full measure to other buildings and structures, to hospitals, in which field there is demand for extension of facilities, as to schools, universities and colleges, municipal, provincial and dominion buildings, and, in fact, the practically unlimited field of construction. Nothing conceivably is so lacking in the country to date, and nothing can awaken and sustain a sense of civic pride, promote and sustain a desire for family betterment than availability of and contact with those amenities of life so pitifully few, so greatly appreciated and stimulating, when available, and so easily added to otherwise drab and uninspiring plans at a mere fraction of the whole cost."

In considering steps to systematize any efforts to improve conditions, we must first consider a broad picture of the situation before us and keep in mind that the municipal organizations are autonomous units responsible, not only for their own actions and expenditures, but also for collection of their revenues and maintaining themselves on a sound financial basis.

Included in these are: Seven cities, ranging in population from 2,200 to over 100,000;

Fifty-one towns, with populations ranging from 2,500 downward. The average population is approximately 1,000. Seven have populations of less than 500;

One hundred and forty-four villages, averaging for the whole 250 persons to each unit. Forty-four of these have populations in excess of 300 each;

Besides these, there are hamlets under the jurisdiction of the local taxing authority in which they are situated.

The limitation on possible post-war works by these bodies is indicated in the following table:

Population		Debenture Debt (At Dec. 31, 1942, Report of the Department of Municipal Affairs)	
Cities	212,308	\$45,972,171.08 less Sinking Fund	\$8,470,585
Towns	51,945	\$	1,858,119.53

Debenture debts of the villages are negligible, when proper set-offs are made. Municipal Districts have no debenture debts.

Thus it will be seen that the cities in providing services to date have incurred debenture liabilities, which, even, after deducting sinking funds from the total, average an amount in excess of \$176.00 per capita.

Debenture debt of the towns, although very unevenly distributed, and chiefly owing by one-third of their number, averages a little in excess of \$35.00 per capita.

This situation seems to indicate that the urge to develop and provide facilities follows roughly in proportion to the size of the unit and at the same time gives rise to interesting speculations as to the future of the small autonomous unit. The inescapable fact is that units with a population of less than 500 have not, except in exceptional circumstances, provided or been in a position to provide for themselves the facilities and amenities that are now considered as necessities of modern life. It is a problem that reaches beyond the borders of the units concerned as they are the marketing centres of large numbers of our rural population and also the places where they meet for business, recreation and social purposes.

The lack of development or plans for development in the smaller units makes it difficult to justify their existence as autonomous bodies, but it is possible that a partial solution to the problem of the small unit may evolve by a natural process following the changing conditions under which we are living. Better roads, the automobile, the airplane, all leading to faster and easier transport, may create a tendency to drift to those centres provided with modern facilities, causing a concentration of population and business at such centres, with a corresponding further decay of small units. If that is accepted it might follow that units with a population of 300 inhabitants or less may with advantage be placed under some other form of administration. Until now, development in hamlets has not been good and the enlarged rural units have not been in existence long enough to indicate if there will be an improvement.

Undoubtedly it would be difficult to maintain that full value can be shown for monies expended on public works by local authorities during the past thirty years. One valid reason is that standards and practices have changed and again, interest on monies borrowed years ago was at a rate higher than is now accepted as reasonable.

The general picture one faces on looking over the situation may be summarized as follows:

1. Generally speaking, where facilities have been provided on any extensive scale, there is an overhead of debt and the converse is also true. This situation clearly shows the limitation on expenditures by local authorities for post-war measures without assistance from the senior Governments.

2. It is difficult to generalize in seeking a solution to the varying problems facing the various units throughout the Prov-

ince of Alberta. In the rural units, it is highly probable roads and rural electrification (dealt with elsewhere in this report) would act as a base on which many other improvements would be built, but in the urban units one finds a variety of problems, certain groups of which are peculiar to each individual unit. Such problems run all the way from a few cases of financial difficulties, caused by commitments made years ago, through the whole gamut of activities that come under the jurisdiction of local authorities.

It is a matter of record that, at the end of World War I, a number of municipal units reached a state of financial embarrassment that caused the setting up of a commission to supervise their administration.

There can be little doubt that the conditions hitherto prevailing have not been productive of results that should have been achieved. There has been a tendency to dispense with technical assistance when it should have been used and which would have obviated considerable waste of public funds.

This situation was commented in the final report of the (Ottawa) Subcommittee on Housing and Community Planning of the Advisory Committee on Reconstruction in their Chapter on Town Planning (Vol. IV, pages 159 et seq.). They set out an extensive analysis of the difficulties and reached conclusions closely parallel to that arrived at by the Subcommittee and referred to in the Interim Report last year. Extracts are:

(Page 172) "Two kinds of legislation are required. The first relates to the planning machinery itself. Within each Province, a Town Planning Board should be set up—"

(Page 173) "Urban planning must be made mandatory (instead of permissive) for all municipalities which are separate government units—"

"Municipal master plans should be placed on a statutory basis, with detailed procedures for their adaptations and modifications."

"The technical planning organization for all municipalities must be made part of the normal structure of these governments."

(Page 177) "Determination of priority ratings is a major aspect of planning."

The advantage to each unit of having a master plan, developed with the assistance of technical consultants, would ensure a steady and orderly development, which if persisted in to a maximum degree, could convert Alberta into a land of charming towns and villages and would tend to stop the consistent migration of successful people to the large urban centres and out of the Province.

Considering the question of technical advice and assistance, of the type required to cause major changes and improvements, it is difficult to draw any conclusion other than it is a commodity that has not been "sold" to the public.

Therefore, as the need of major changes is indicated, this Subcommittee holds the view that the present Town Planning Commission should be expanded to include services of technical experts whose duties would be to mobilize the much needed works, by education, advice, planning and, if required, supervision.

This Subcommittee has attempted to probe into the basic reasons for the lack of development in our smaller urban units during the forty years since Alberta became a Province, and is forced to the conclusion that the chief cause is the inability of these units to finance such development from the existing narrow tax base while at the same time being required to maintain education and social services.

Education consumes a considerable proportion of municipal revenues but even though increasing has a certain consistency. The cost of social services, on the other hand, operates in a manner more injurious to the financial well being of the unit concerned. In times of easy revenues, the costs fall while during periods of recession revenues diminish and the costs of social services mount, generally, at a rate in inverse proportion to ability to meet them.

The reports of other Committees have been studied in order to secure assurance that this view is held by other responsible bodies. It is dealt with in the (Sirois) Report of the Royal Commission on Dominion Provincial Relations (Vol. 2, page 15 et seq.) and we find the following conclusion:

"Even in cases where municipalities were able to carry their share of relief, it was often at the expense of upkeep of public works, education, and other services. Despite Dominion grants in aid for relief works, municipal capital expenditures fell far below normal, thereby increasing unemployment. Moreover, an undue load was frequently thrown on real property, the principal source of municipal revenues, at a time when income from real property had seriously declined and property values had been shattered. In an effort to collect back taxes, many municipalities became loaded up with real property. In all municipalities where the tax burden on real estate had become unduly heavy, new construction and private enterprise were further handicapped, thereby tending to retard recovery."

Since that was written, there are certain changed conditions to be considered. The war has imposed upon the Dominion Government the duty of re-establishing that portion of our population now in the Armed Forces, unemployment insurance will provide for another group, thus the step would not be as great today if the Dominion Government set up machinery to deal with the whole question of social services, even though it was necessary to do this in conjunction with the Provinces.

The Post-War Rehabilitation Council of British Columbia appears to be seized with a similar line of thought in considering

the question of Public Works by local authorities, and, quoting from their Interim Report, we find the following:

"It is hardly necessary to enumerate the long term considerations which make the increased development of a programme of public works a desirable and necessary achievement. It may also be generally conceded that private enterprise will be unable to absorb the shock of post-war conditions under stress of rapidly rising unemployment following the general shut-down of War Industry. It follows that Government action will be necessary and one of the measures that can be taken promptly is to be found in a fully developed programme of public works initiated by Government authority and financed in whole or in part by the Public Treasury."

The importance of planning a reserve of public works now cannot be overemphasized. There must be no demoralizing period of unemployment before such projects can be started, and there must be no waste of public money through ill-conceived and hastily planned projects. To avoid this, the type of projects which will be started must be decided upon, and complete plans prepared. Projects must be prepared for all parts of the country so that they may be started in whatever locality the need is felt. Public Works must be classified as purely Municipal, Provincial, Federal or joint projects, and all questions of financing arranged in advance."

The Saskatchewan Reconstruction Council sees similar difficulties to that experienced in Alberta. Quoting from their Report dated August 2, 1944, we find at Page 231:

"The lack of adequate town planning and building regulations in the early stages of city building resulted in land subdivisions in advance of demand, with consequent extravagant use of land and waste in the cost of streets and services. Speculative sale and resale of building lots has loaded them with excessive building costs. The absence of system increases the operating costs of municipal government and increases the burden of real estate taxes, for each property owner must pay for the overdevelopment of services."

and again at Page 23:

"It must be remembered, however, that the ability of the Province and the Municipalities to engage in a works programme is extremely limited. The Council is impressed with the utter impossibility of any substantial reconstruction projects being undertaken as a provincial responsibility under the present Dominion-Provincial fiscal arrangements.

"In the planning of post-war works programmes, the Council considers that several basic principles should be observed. In the first place, it seems necessary that Dominion, Provincial and Municipal co-operation and co-ordination should exist. This would not only facilitate the efficient execution of the plans and projects involving joint action either in financing or actual construction, but should, through a suitable co-ordinating agency, provide full information on the labour re-

quirements and assist in utilizing the available labour supply to the best advantage of all concerned."

Here we have five committees studying the subject of town planning and development reaching a common viewpoint that development is not what it should be and that heroic steps are necessary to ensure that improvements are made in keeping with modern standards.

There is common agreement that these standards are unlikely to be reached without a complete co-ordination between the three levels of government, and a change in the distribution of that part of our national income, extracted by taxation by all taxing authorities, or alternately a redistribution of responsibility for the different services.

This Subcommittee attempted, by questionnaire, to secure a complete tabulation of works that might be carried out by urban authorities during the post-war period. A study of the replies received showed that they were not sufficiently conclusive to justify their publication in this report. It must be remembered that a municipal body cannot definitely determine that certain projects will be carried out until final by-laws are passed, subject to all legal requirements, and financing is arranged. Neither is it possible to tie the hands of future Councils. Hence the replies received are to be regarded as conjectural and in many cases subject to a number of qualifications. A rough estimate, based on these questionnaires, indicates that local authorities in Alberta would expend about forty million dollars in the post-war period, subject to proper mobilization of these projects and assistance.

One of the outstanding abuses, detrimental to town planning, has been the question of subdivisions extended beyond the borders of units that could readily house, two, three, or more times their present population. Thus, in the interest of the municipalities themselves, it would seem necessary that a greater control be exercised by government authorities responsible to see that new subdivisions adjacent to existing units be limited, as much as possible, until such time as present subdivisions are populated. This Subcommittee holds the view that new subdivisions should not be approved without consultation with the municipal unit of which they are part or to which they are to be attached, and that, before registration, all streets and lanes should be brought to an approved grade by the subdivider. In some parts of the United States, cities are given jurisdiction over land use for a two mile radius outside their own boundaries.

Light, Water and Sewage Disposal

Light and Power—The use of electric light and power has become so general in the urban units of Alberta, that it has been demonstrated, it is not beyond their capacity to deal with this in some manner. However, if the announced policy of the Alberta Government as to rural electrification is proceeded with, it will undoubtedly lead to generation of electric power at the lowest possible figure and entail a distribution system which will permit supply at a lower cost than is possible from existing local small installations.

Water—At the present time systems of waterworks substantially serve the following:

All Cities	7
23 Towns out of 51	23
3 Villages out of 144	3
7 Other Points not classified as Alberta Municipalities	7
Total	40

Of these the Calgary Power Company operates four under franchise, namely, Wetaskiwin, Lacombe, Camrose and Magrath. Undoubtedly joint operation of waterworks in certain nearby groups would have advantages and would deserve consideration by the smaller units. In Bellevue, Canmore, Exshaw, Nordegg and Turner Valley, the water works are operated by mining and oil companies, the remaining 31 are operated as municipal schemes.

Undoubtedly there is scope for a vast improvement in this particular service. Replies to the questionnaires submitted by this subcommittee indicate some measure of expansion where the services do not already exist, but only about four are in the "ready to go" stage.

During the war years, due to curtailed labor and materials, practically all municipalities possessing waterworks systems have delayed making renewals, improvements and extensions, with the result that much necessary work will have to be carried out immediately following the war.

Sewers — Twenty-one municipalities are provided with sewers, all installed municipally. There is further scope for vast improvement and a similar backlog of extension and deferred maintenance.

* * *

As a general principle, it would appear that the many advantages attendant on water and sewerage installation, the improved health conditions and general contentment in life, make these a service on which every effort should be concentrated. It might be laid down that, excepting in cases of peculiar technical difficulties, they are a necessity in every unit with a population in excess of 500, and perhaps to a controlled degree, for places with populations between 300 and 500.

From a straight economic standpoint alone, it is preferable to have public systems rather than to force individuals to provide their own schemes. If a municipal unit fails to deal with these matters on reaching a population of 500, the wealthier residents often provide their own private systems, and having embarked on such a project generally cease to interest themselves in provision of a public system.

A general estimate, based on figures that waterworks cost in the order of \$50.00 per capita served and sewerage a further

\$50.00 per capita served, indicate there is scope for post-war business and employment as follows:

Waterworks. New construction 30,000 x 50	\$1,500,000
Deferred maintenance and extension	1,000,000
Sewerage. New construction, 40,000 x 50	2,000,000
Deferred maintenance and extension	1,000,000
Total	<u>\$5,500,000</u>

Coincidental to such construction would be additional work provided to the plumbing and building trades in renovating existing homes to make them ready for connection to the water and sewerage schemes. Such expenditure should amount to an additional 50% of the expenditures named.

An energetic town planning department, such as envisioned by the subcommittee, should find it possible to organize this to a maximum degree and here it is pointed out that at present, water and sewerage come under the purview of the Provincial Sanitary Engineer in the Department of Public Health, and other features of town planning might not co-ordinate with this if operated under separate departments.

Markets and Local Roads

The increasing use of the automobile and truck, telephone, projected rural electrification, centralization of schools and recent changes in municipal boundaries render the present time opportune to study what can be done to eliminate much excess mileage by encouraging building along main roads. Future road building should conform to improved standards and be done in order of priority according to need. It should be based upon a long-term policy which, if established by local by-law would not be subject to disruption by other demands for expenditures.

This Subcommittee is of the opinion that local authorities should make a complete survey of road allowances and classify them according to a named schedule. The following schedule is suggested:

Class A—District and main market roads, and school van routes providing proper access to and connection between business centres to enable rapid transit during all seasons. Co-ordination with an adjoining municipal authority would be necessary where such roads cross a municipal boundary and their standard of construction would of necessity be high, and such roads would preferably be raised and gravelled.

Class B—Roads of less importance than Class A, perhaps in general use as feeder roads, but with no immediate expectation of carrying any large volume of traffic or requiring expenditures on an extensive scale.

Class C—Roads little used, as for example where building has not become general, due to large holdings of land or broken country, and where it is virtually a private road. Consideration might be given to relieving the local authority from the statutory obligation of maintaining this class of road in safe repair.

Class D—Road allowances for which there is no use and which may be closed temporarily. If adjoining lands are fenced, a common line fence could be used effecting another saving. In some cases, it might be possible to classify 10% to 25% of road allowances as Class D.

A tendency, over a long period, would be to concentrate building on A and B roads.

For unsettled areas a new plan of survey might be introduced that would reduce the present 54 miles of road allowance in each township to a considerably lesser amount, and by surveying through-highways to fit the topography of the area to be served considerable economy would be effected.

The subcommittee has obtained details of the machinery survey, conducted in 1942 by the municipalities for the Dominion Government. Taking into consideration depreciation since then and the fact that many municipalities have been reorganized, the Committee has studied possible post-war machinery requirements and methods of purchase. It is estimated that road machinery will be required by rural municipalities to a value of \$1,500,000.

Owing to the interruptions of their normal operations by the shortage of manpower, machinery and materials, many municipalities are already establishing reserves for this purpose, and it is suggested that it would not be unreasonable for all municipalities to consider including in their annual budgets an amount not less than 10% of their municipal revenue to provide for machinery purchases until each unit is properly equipped. Continued inquiry is necessary, however, to ascertain what federal and other equipment now being used for war purposes will be available.

Aviation

One outcome of the present war has been to focus public attention on aviation to an extent that might not otherwise have happened in a long period. Factories exist for the manufacture of every aviation requirement and there are facilities for service and repair at central points.

International and inter-provincial air services are receiving a great deal of attention, but this Subcommittee does not consider that such activities come within its purview, and is of the opinion that, to make the greatest contribution, air transportation must be extended to the smaller communities and the public generally. If steps to ensure this were carried out it is highly probable such services would supplement and not necessarily supplant other existing forms of transportation.

If aviation is going to do for our economy after the war anything similar to what the automobile has done in the past, the major requirements will be landing fields at such centres as intend to form part of any such plan. The automobile was with us before highways of modern type were in existence and the post-war period will find Alberta in a similar situation as to landing fields. The degree of energy and determination used in solving

this particular problem will decide whether this Province, happily having a climate that provides the greatest number of flying hours per annum of any part of Canada, will take full advantage of its resources in this regard.

The type of landing field envisioned by this subcommittee might be brought into existence at an initial average cost of about \$10,000 and it is estimated that between 100 and 150 such landing fields, in addition to those now existing, would give fairly complete coverage for what may be described as feeder or inter-urban flying. On such a basis, and taking the maximum number, 150 landing fields at \$10,000 would involve an outlay of 1½ million dollars. It is difficult to find comparable benefits from expenditure of a similar sum.

Inasmuch as aviation is comparatively new, no complete legislation is in effect to deal with contingencies likely to arise. For example, some form of legislation may be required to prevent erection of obstructions at the ends of runways, and it would appear reasonable that legislation be enacted to cover as many of such contingencies as can be foreseen, before difficulties and abuses become common.

The subcommittee is of the opinion that aviation has great possibilities if energetic development is proceeded with in the post-war era, before the vast resources of material and trained personnel become directed into other channels.

It is recommended that encouragement should be given to Municipalities to reserve or acquire, where possible, areas which may be available as landing fields, if and when the development of air transportation justifies and that the Government cause a survey of possible air transport development to be made to determine what main and feeder routes should be established.

Summary and Recommendations

This subcommittee holds the view that while the home and security for its occupants must occupy a primary place, its fullness cannot be reached unless it is properly located, in congenial surroundings, and served with the facilities in general use, at least to some substantial degree, wherever there has been proper organization to supply them. The conditions immediately surrounding the home and the facilities with which it is served, make the difference between a life that is dull and drab and one that can be bright and cheerful.

Proper development of the area contiguous to the home, at which one lives daily throughout the year, has a more intimate and forceful impact on the life of the individual than so many far-away projects that consume public funds to the detriment of general improvement.

The present distribution of responsibilities and taxation revenues, founded on conditions existing in the past century, does not meet present day requirements. The existing levy on real property, which is now called upon to provide not only for those services directly beneficial to it but for many that are remote, acts as a deterrent to improved conditions in our whole social structure.

Modern invention and technical development now require, more than ever before, that their use be made under the guidance of those with special training, to ensure the maximum efficiency under the various conditions that have to be met.

Whether any recession period threatens or not, there are many ancillary methods that could be used to encourage the carrying out of such public works classified as having a high degree of social usefulness. Such encouragement could be by:

- (a) Provision for financing, by grants, loans or both.
- (b) Insistence on long term planning by local authorities and the carrying out of preliminary surveys and other advance preparation to enable public works to be proceeded with immediately conditions warrant.
- (c) Removal of duties and other imposts on necessary equipment necessarily imported and used for such purpose.
- (d) An intense study of prospective availability of materials and equipment required during the immediate post war period, to ensure that shortages and other bottlenecks do not stagnate the whole business structure.
- (e) Courageous and imaginative leadership by the senior governments and a determination to remove the squalid conditions in under-developed units.
- (f) Broadminded framing and administration of measures requiring co-ordination between the different levels of government to ensure no automatic rejections of worth while projects.
- (g) Placing greater stress on finish and beautification and such works as encourage recreation and enjoyment, including setting aside land needed for that purpose.

This Subcommittee therefore recommends:

1. That a Dominion-Provincial conference be held in an endeavor to arrange a more equitable distribution of responsibilities and revenues between the three levels of government.

2. That the Alberta Government establish an active and efficient town planning commission whose duties will be to assist in mobilizing the resources of municipal bodies by making available to local councils, technical assistance required to instigate, plan and carry out public works within the self-governing units.

3. That every effort be made to induce the installation of water and sewerage systems, wherever found feasible in units with a population in excess of 300 persons.

4. That close attention be given to the development of aviation and local landing fields by:

- (a) Technical and other assistance.
- (b) Establishing a complete legal code to deal with new problems arising from its introduction.
- (c) That the Dominion Government continue their pre-war activity in sponsoring flying clubs as a means of maintaining development.

5. That local authorities should make a complete survey of road allowances and classify them according to a named schedule. The following schedule is suggested:

Class A—District and main market roads, and school van routes providing proper access to and connection between business centres to enable rapid transit during all seasons. Co-ordination with an adjoining municipal authority would be necessary where such roads cross a municipal boundary and their standard of construction would of necessity be high, and such roads would preferably be raised and gravelled.

Class B—Roads of less importance than Class A, perhaps in general use as feeder roads, but with no immediate expectation of carrying any large volume of traffic or requiring expenditures on an extensive scale.

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A tendency, over a long period, would be to concentrate building on A and B roads.

6. That for unsettled areas a new plan of survey might be introduced that would reduce the present 54 miles of road allowance in each township to a considerably lesser amount, and by surveying through-highways to fit the topography of the area to be served considerably economy would be effected.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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Alberta Post-War Reconstruction Committee

REPORT of the Subcommittee on SOCIAL WELFARE



- ◆ Food, Clothing, Shelter
- ◆ Producer-Consumer Relationships
- ◆ Home and Family Life
- ◆ Returned Men and Women
- ◆ Health Needs and Services
- ◆ Recreation and Physical Fitness
- ◆ Social Security Measures

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REPORT
of the
Post-War Reconstruction Committee
1945

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1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourist Trade In Alberta.
2. Alberta Post-War Survey.



INTRODUCTION

The Post-War Reconstruction Committee was established with passage of The Post-War Reconstruction Act, Chapter 8 of the Statutes of Alberta, 1943. The original named membership follows:

Honourable N. E. Tanner, Chairman;
Honourable E. C. Manning;
Mrs. C. R. Wood, M.L.A.;
Mr. Alfred Speakman, M.L.A.;
Mr. E. J. Martin, M.L.A.;
Honourable A. J. Hooke.

By Order in Council Number 1004-43 the following were named as members:

Dr. Robert Newton, M.C.;
Harold E. Tanner, M.A.

Under the provisions of section 5 of the Act, the Committee named H. D. Carrigan as Secretary-Treasurer on April 29, 1943.

The inclusion of Dr. Newton brought to the Committee a member representative of the University of Alberta, the Research Council of Alberta, and the National Research Council. The inclusion of Harold E. Tanner ensured adequate representation for all ex-Servicemen's organizations.

An Agenda committee and subcommittees were appointed as follows:

Agenda Committee: Hon. A. J. Hooke, Chairman; Mrs. C. R. Wood, A. Speakman, E. J. Martin, with Dr. R. Newton and H. E. Tanner as advisory members.

Agriculture, Lands and Soldier Settlement: Alfred Speakman, Chairman; Dr. Robert Newton, Robert Gardiner, O. S. Longman and James Jackson, later replaced by H. E. Nichols.

Educational and Vocational Training: Dr. Robert Newton, Chairman, Mrs. C. R. Wood, F. G. Buchanan, G. M. Cormie and Dr. G. Fred McNally.

Finance: Hon. A. J. Hooke, Chairman, Alfred Speakman, L. D. Byrne and H. E. Spencer.

Industry: Hon. E. C. Manning, Chairman, Alfred Speakman, Carl Berg, W. D. King and Howard Stutchbury.

Natural Resources and Conservation: Hon. N. E. Tanner, Chairman, H. E. Tanner, C. Stubbs, H. R. Milner, K.C., and William Anderson. Later Alex Greig replaced Mr. Anderson.

Public Works: E. J. Martin, Chairman, Hon. N. E. Tanner, G. H. N. Monkman, S. C. Porter and J. Fitzallen.

Social Welfare: Mrs. C. R. Wood, Chairman, E. J. Martin, Dr. A. Somerville, Mrs. A. L. Grevett and David Duncan, later replaced by C. E. Nix.

The activities of the Committee from the time of organization until the end of 1943, are detailed in the Interim Report, presented to the Lieutenant Governor in Council on March 10, 1944.

Following submission of the Interim Report, the various subcommittees pursued their studies throughout the year. Owing to the untimely death of Mr. A. Speakman on November 4, 1943, the subcommittee on Agriculture had been without a Chairman, and the Committee appreciates the initiative of Mr. O. S. Longman and his fellow members of the subcommittee in carrying on the various new and incompleted studies called for by the Terms of Reference in the interval preceding appointment of a successor.

First formal meeting of the Committee was held on June 19, 1944, and on that occasion the members approved the appointment of Frank Laut, M.L.A., to the Chairmanship of the subcommittee on Agriculture, and to membership of the General Committee.

Dissolution of the Legislature and a General Election intervened, and at the next meeting of the Committee, on September 18, 1944, further changes were effected, in consequence of re-organization in the Government.

Hon. E. C. Manning on that date retired from the Committee, and was replaced by Hon. C. E. Gerhart who, as newly appointed Minister of Trade and Industry, assumed the Chairmanship of the subcommittee on Industry. Hon. N. E. Tanner resigned the Chairmanship of the Committee in favour of Hon. A. J. Hooke, and of the subcommittee on Natural Resources in favour of Fred Anderson, M.L.A., who was appointed to Committee membership. The organization as now established is as follows:

Hon. A. J. Hooke, Chairman; (Finance)
Hon. N. E. Tanner, Deputy Chairman;
Hon. C. E. Gerhart, (Industry)
Mrs. C. R. Wood, (Social Welfare)
Dr. Robert Newton, (Education)
Frank Laut, (Agriculture)
E. J. Martin, (Public Works)
Fred Anderson, (Natural Resources)
Harold E. Tanner, (Veterans' member, all subcommittees.)

The Committee acknowledges the valuable assistance of Mr. W. D. King, who acted as Deputy Chairman of the subcommittee on Industry, and of Mr. W. Anderson, who acted as Secretary of that subcommittee and roving representative of the General Committee.

On October 4, 1944, delegations representing the Athabasca Board of Trade and the Edmonton Chamber of Commerce were received by the Committee at a Public Hearing in the Legislative Building.

Further meetings were held on October 18, November 3, November 18, December 18, 19 and 20, 1944.

In 1945, meetings were held on February 24, 26, 28, March 1, 2, 5 and 7, for the consideration of subcommittee reports and recommendations. Meetings concluded on March 19, 1945.

During the year, close co-operation was maintained by the Committee with related organizations throughout Canada, and the willingness of all to assist in the work at hand confirmed the Committee's belief that matters of Post-War Reconstruction and Rehabilitation were of primary concern to all citizens.

Following the submission of the Edmonton Chamber of Commerce on October 4, 1944, steps were taken to organize a Province-wide survey of household, farm, business, industrial and municipal programmes for the post-war period, and a Survey Management Committee, headed by Mr. Reg. T. Rose, of the Edmonton Chamber of Commerce, was established to carry out the project.

Assistance had been promised by the Calgary Board of Trade and related groups, the urban and rural municipal bodies, veterans', farmer and labour organizations. This assistance was enlisted by the Committee, and was augmented by the staff of the Economics Division, Dominion Department of Agriculture at the University of Alberta, directed by Dr. C. C. Spence. A valuable contribution was made by Professor Andrew Stewart of the Department of Political Economy, University of Alberta, whose painstaking labours in preparing and revising the great volume of necessary forms and documents, and in blue-printing the actual organization work, merit special mention and commendation.

To speed the work involved, a call for co-operation was issued by the Chairman to all organized groups and key persons in the Province by means of circular letters and press releases. The response was most encouraging, and the existing organization of local and regional reconstruction committees was greatly strengthened. When the survey was commenced, on January 15, regional committees had been established throughout Alberta, and an army of volunteer clerks and canvassers moved into action.

The Committee believes that this survey was the most extensive and embracing of its type attempted anywhere, and wishes to stress that its smooth operation and early completion was dependent entirely on the spirit of co-operation shown by all concerned. The extent of this co-operation is in itself a pointer to the profound interest in post-war problems manifest at this time.

The Committee suggests that the democratic features of this Province-wide participation of the people themselves in the task of framing a provincial post-war programme be not disregarded. A people capable of dissolving their local differences and of working wholeheartedly for a common social objective are the makers of free nations; and the principle of democratic government involved in thus going to the people for advice and assistance is one which should never again be shelved.

The initial survey was made among householders, farmers and businessmen. As the findings are made known, they will be transmitted to industrialists and local governing bodies for scrutiny, in anticipation that the facts revealed, will permit the revision of existing post-war programmes among these latter groups.

The Committee suggests that it may be wise to encourage the activities of the regional committees now in existence, for the purpose of maintaining the important local contacts made, and of working through such bodies in any future survey work.

A Preliminary Report of the Survey is appended to this Report.

APPROACH TO THE PROBLEM

DEFINITION

The problem of reconstruction cannot be approached without a clear definition of what is implied in the word, or more specifically, what is implied in the work. There must also be clarity in respect of the terms "rehabilitation" and "re-establishment", which are popularly applied as being synonymous with reconstruction.

Reconstruction, as it is viewed by the Committee, means the rebuilding of that which is torn down. This definition, while simple, is all the more important by virtue of its simplicity. To-day the world is filled with slogans of a "New Order" in which, by the evidence of those who plan it, not simplicity, but complication and confusion will be the lot of the common man.

Obviously, the building of a "New Order" implies the scrapping of the old. The Committee is not convinced that all features of the old order are deserving of the scrap heap. Rather would it suggest that vital elements of the old order have been suppressed and mismanaged, and its principles betrayed. The results of that betrayal are the chaotic conditions of modern times. These are the materials awaiting reconstruction.

The term "Rehabilitation", while related to Reconstruction, is nevertheless more properly applied to persons than to things. So with the term "Re-establishment", although its meaning differs from that of the former.

In Canada, the various Governments have more or less tacitly agreed that Reconstruction shall be concerned primarily with things; Rehabilitation shall be concerned with the refitting of persons into the normal pattern of life; and Re-establishment, the actual work of setting persons on their feet on their return from military life.

The situation prevailing in Canada is that the Federal Government has complete administrative jurisdiction in the fields of Rehabilitation and Re-establishment. The Provinces, nevertheless, have a natural interest in the welfare of the people, and this Committee is on record as asserting that the Province of Alberta has a definite responsibility to fulfill in the task of rehabilitating its citizens, especially those who return from the Services. Needless to say, this has become a matter of Government policy, not only in Alberta, but in every province of Canada.

In Alberta, the first important step taken in recognition of this responsibility was the establishment of the Veterans' Welfare and Advisory Commission, headed by Lt. Col. E. Brown, M.M., E.D., in April 1944. A close connection is maintained between the Commission and the Reconstruction Committee by the joint membership of Harold E. Tanner.

The establishment of the Veterans' Welfare and Advisory Commission tended to intensify, rather than sever, the work of this Committee in its relation to rehabilitation. Inquiries and studies have been conducted all the more ambitiously in the knowledge that actual provincial participation in the Rehabilitation Programme was a fact, rather than a promise. It is considered that the timely establishment of this body will assist greatly the efficient prosecution of the programme ahead.

To summarize Reconstruction, Rehabilitation and Re-establishment, while all differing in some respect, are nevertheless integral parts of one major problem. That problem, as stated earlier, is the rebuilding of a Social Order which has been torn down. Some definition of "Social Order", and the participation of persons and governments therein, at this time becomes necessary.

MAN THE CREATOR

The progress of human society is best measured by the extent of its creative ability. Imbued with a number of natural gifts, notably reason, memory, understanding and free will, man has learned gradually to master the secrets of nature, and to build for himself a world wherein lie the potentialities of peace, security, liberty and abundance.

The tragedy of our time, is that man, the creator, is using his creations for his own destruction. Not peace, security, liberty and abundance are his reward. War, insecurity, lack of freedom and scarcity are his punishment. Humanity has somehow got at cross purposes with itself and lacking cohesion, is falling apart, with results disastrous to all.

A curious feature of this phenomenon is that one of the greatest creative forces in humanity is being applied by all contending groups in the war with one another. This is the power that emerges from the association of individuals for a common purpose. The people of the United Nations are associated for a common purpose—the extinction of their enemies. The people of the enemy countries are likewise associated for a common purpose—the extinction of the United Nations. It is obvious that if all people were associated for one purpose, and that the personal good of each and all, man the creator would cease to be a self-destroyer, and would indeed become a reconstructor.

The very term "reconstruction" points to the underlying conviction that even while destruction rages, man must prepare to rebuild. Even in time of darkest national disaster, this conviction is never wholly suppressed. In the destructive processes of military or economic war there is always, beneath the sweeping tide of base and materialistic emotion, a strong under-current of spiritual and creative feeling. Throughout human history, this resurgent spirit has inevitably become manifest, and perhaps never so forcibly as at the present stage of human affairs.

To-day, humanity looks not only at the immediate post-war period, but far beyond into new fields of endeavour, as yet untouched and uncultivated, whose fruits will provide all men with a measure

of security, freedom and happiness unknown in human history. Man, the creator, feels that once his feet are set on the path from which he has strayed, he can resume the march of progress which for too long has been halted, and press forward to that most alluring, yet most intangible of goals, his Ultimate Destiny.

ORGANIZATION OF SOCIETY

If it were necessary to define the prime motivator in human life, the closest answer possible would be that happiness is the prime motivator, and yet, happiness itself is probably harder to define than any other experience within the range of human emotion.

Philosophers have dwelt on this theme from time immemorial and, despite the evolution of various schools of philosophy, it can be generally accepted that they find a basis of agreement in the definition of happiness as "The contemplation and enjoyment of an object achieved."

Throughout the formative years of the Christian era, this definition has held good. Man, it is agreed, is by nature creative and by nature possessive; he must pursue his ideals. Having successfully pursued an ideal, reached a desired objective, he finds happiness in the contemplation and enjoyment of it. Life itself, in common with the progress of Society, is a struggle to achieve a series of objectives.

To use the terms of military strategy, life is a series of limited objectives, all leading progressively to the Ultimate Objective, which is the realization of the Better Beyond.

This definition is closely connected with the growth of a democratic form of government in that the true function of a democratic society is to make it easier for each person in it to reach his objectives and achieve happiness. It is essentially a part of the Christian concept of society—this form of social organization we term democracy—in which the importance of the person is stressed above the importance of the institution.

The Christian concept invests the individual with a dignity totally lacking in the pagan concept. It recognizes the god-like qualities in man, whereas the pagan concept denies them, and in truth, relegates man to the ant-hill. Because free-will in the individual is a natural gift, the Christian concept recognizes his natural right to think, act and live in freedom. The dignity of the individual is the well-spring of his rights, but inherent in it is the obligation to recognize and respect a corresponding dignity and corresponding rights in his fellowmen. De-christianized man, lacking dignity and the recognition of his rights, is denied the free expression of his natural gifts and is, in fact and in consequence, a slave to some dominating influence.

PERSON AND FAMILY

It is natural for man to associate with his fellows and the basic natural association is that of the family. In the family, we

have the pattern and foundation of society itself. Truly has the family been described as the cradle of the nation.

In this primary association of persons which is the family, the individual finds a vehicle for the expression of his personality and the use of his natural gifts. One of the most vital elements of human personality brought into play by the fact of family life, is that of possession—the urge to control property. Thus the home is created as property of the individuals comprising the family. Thus, the tools of the workers therein, become the property of those who use them to create and acquire more property. Thus, the fruits of their labour become their property.

This urge to possess property is natural and is part of the expression of freedom. Man feels most free on the inside when he owns something on the outside on which he can place the imprint of his personality.

Obviously, if individual man can express his personality better through his association with his spouse, the process can be carried still farther, and associations can be created and maintained with others in society. Man recognizes this, consciously or unconsciously, and the result is that new and larger associations come into being, all designed—the term is used deliberately—to permit the freer expression of human personality.

As the process continues, the organization of associations becomes too manifold for the individual to play an administrative part therein. From this condition arises the system of appointive representation which permeates our whole social life. The urge to associate is always present and always exercised. Man realizes that in association he can do things which individually he would find impossible. But the task of conducting the affairs of the various associations is rendered impossible if every individual member attempts to devote the time necessary to it, and the custom of appointing representatives to administer the affairs of the group has grown within the Christian concept of society.

Thus, from the primary social organization—the family—has evolved social organization as we have it to-day; a great aggregation of societies, some natural, some "accidental" in the sense that they are auxiliary associations, and some wholly unnatural.

Obviously, if reconstruction is to have any meaning, it must be initiated on the basic understanding that the person and the family are the first beneficiaries of the rebuilding process. This, of necessity, must be a matter of policy. The philosophy underlying that policy is the Christian philosophy of freedom, rather than the pagan philosophy of force.

POLICY AND PHILOSOPHY

Every policy has an underlying philosophy. The philosophy of freedom generates a policy of democratic control. That is to say, the representatives of any association organized in harmony with the Christian concept shall not formulate the policies of the group, nor impose them in contravention of the wishes of the individuals comprising it. The philosophy of force generates a policy of total-

tarian control. The rulers of the association, in response to their own philosophy, not only determine policy, but impose it upon those comprising the group.

Since the imposition of one will on another is war, it actually follows that a totalitarian organization is a war-making organization. The rulers wage constant war upon the natural rights of the subjects. The implement of force is the police employed to subdue the subject. In other words, power philosophies breed power policies, and power police are employed to impose the dominant will on the subject association. The connection between policy, politics and police is a root one, not generally recognized to-day, except in the Totalitarian States.

In a society organized in accordance with the Christian democratic concept, the situation is not necessarily reversed. The administrators are not actually coerced or bludgeoned into carrying out the policies formulated by the group. Rather can such a society be considered as wholly co-operative, in that policy is determined by the members, is carried out willingly by the administrators as members, and is accepted by all members so long as it promotes the well being of the group.

Three Factors

Three factors enter into this play of social forces; policy, administration and sanctions. Policy is determined by the group as a group. Administration is carried out by elected individuals from the group; and Sanctions can be applied by the administration in the name of the group—i.e. by the enforcement of law, the rules of conduct, or by members themselves, who utilize the mechanics of elections to return or retire the administrators.

The process is continual in our social life. A community league is formed to promote the welfare of the persons resident in the community. Officers are appointed to administer the affairs of the league and carry out the determined policy. If mismanagement results and the community welfare suffers, sanctions are applied by the members. New officers are appointed. If a member misconducts himself, sanctions are applied by the administrators in the name of the community. The member ceases to hold membership. He is deprived of the benefits accruing from the association of people for a common purpose.

The same situation obtains in the hockey team. The objective is to win games. The method is team-play—association. Administration is in the hands of the captain, who can apply sanctions. But if the captain fails in his duties, the players can apply sanctions and remove him from his position.

In a properly organized and administered political or economic democracy, this simple application of the principles of association would ensure the fullest possible measure of personal freedom in the social group. The tragedy of modern times is that the simple and exact principles desired do not obtain.

In the administrative sphere, the splitting of forces brought about by the political system brings complications in its train,

which frequently result in the application of sanctions on both administrators who have rendered excellent service and on the people themselves.

In the economic sphere the simple pattern of production for consumption is so riddled with extraneous inconsistencies, it is no longer recognizable, and man, the creator of real wealth, has little to say about its production, distribution or consumption. He is a slave of the "marketeer", rather than the master of his possessions. In his attempts to apply sanctions he is thwarted because of the nebulous nature of the dominant personalities, and the crushing power of dominant policies.

In the cultural sphere, the effects of frustration are more keenly felt. For while democracy is subject to these crushing influences, disintegration is accelerated and human liberty and human dignity eventually destroyed. It may be true that there are no atheists in foxholes. Perhaps it is also true that there are few saints in soup kitchens. Frustration destroys the dignity of man. Only free expression can develop it.

The conclusion to be drawn is simple; it is that if the social order is to be reconstructed, then reorganization must proceed from the individual, through the family and the simple social group, along two parallel paths. These will lead unerringly to political and economic democracy, which spell the fullest freedom and security compatible with the rights of each individual in the group.

Institutions, whether in the political or the economic sphere must be regarded as less important than persons. For this reason, it is evident that the application of policies at variance with those expressed or implied by the members-in-association, whether in the economic or the administrative sphere, must be regarded as a negation of the democratic principles outlined.

A democratic government will endeavour to right such wrongs as spring from the application of undemocratic policies, whether they appear within the framework of government itself, or within the economic system they are empowered to direct and control.

Obviously, the purpose of the political system is to provide a medium through which the people can present their coherent demands in the expectation that they will be filled, at the same time as they use the instrument of their power-in-association to help their representatives do the job. Equally obvious, is the fact that only an enlightened and responsible people can thus assist in the vital functions of democracy.

Government

Edmund Burke, the great Parliamentarian, said that "Government is a contrivance of human wisdom to provide for human **wants**." The emphasis on **wants** is Burke's. Burke was saying that the only true function of Government is to make it easier for every man to obtain his wants, while respecting the rights of others.

Working from the basis of the simple democratic principles, it is possible to define the wants of man in simple terms. Stripped of all verbiage, these wants can be stated as **freedom** and **security**.

Freedom is the power to choose or refuse. Man is free when his judgment precedes his choice.

Security is the very essence of freedom. It is a secure sufficiency of things desired.

Given freedom in the social and economic spheres, man the creator conceivably can apply his intellect to those cultural pursuits he desires and not only achieve happiness for himself, but by adding to the common heritage of culture, make happiness easier of access for generations of the future.

The function of government, as it was evolved throughout the Christian democratic era, was no more than this; to make it possible for man, the creator of government, to enjoy the greatest possible freedom and security, that the individual in Society might more easily continue his search for happiness.

An examination of the growth of Christian social organization demonstrates this truth. Moreover, it is significant that the earliest attempts at democratic electoral procedure can be traced to early Christian communities. Not favoured freemen, but all men, were enabled to exercise their right to appoint administrative representatives in these communities.

Probably the most significant document of modern times pointing to this evolution is the American Declaration of Independence. Thomas Jefferson, as is proved by his own marginal notes on various volumes preserved in the library of Congress, framed the Declaration largely along lines reminiscent of an earlier Treatise on Civil Government, which in itself was a modernized version of the works of early Christian thinkers who co-ordinated the philosophies of the Ancients from Aristotle and Socrates down through the first ten centuries of Christendom.

"We hold these truths to be self-evident: that ALL men are created equal (**in the sight of the Creator**), that they are endowed by their Creator with certain inalienable rights (**rights which can neither be taken away, nor given away**), that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights (**not to grant or obtain them**) governments are instituted among men, deriving their just power from the consent of the governed."

The notations in parentheses are inserted to intensify the meaning. The meaning itself needs no clarification, except in the minds of those who pursue the objective of the police state, in which the god-like qualities of man are nullified, and the person becomes a nameless unit in the driven herd.

Insecurity, more than any other material factor, is the prime cause of unhappiness in modern democracies. Yet as long ago as the Thirteenth Century it was acknowledged by a great thinker that "A certain amount of comfort is necessary to the practice of virtue." That was an age of scarcity, when hand tools and back-breaking toil were the chief implements of industry. In modern times, with labour saving machines and the discoveries of science, that "certain amount of comfort" is still denied the many. Dickens illustrates the truth:

"My other piece of advice, Copperfield," said Mr. Micawber, "you know. Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

"Annual income twenty pounds, annual expenditure twenty pounds ought and six, result, misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the dreary scene . . ."

Micawber tersely illustrates the joys of a debt-free domestic economy. But the man himself is Charles Dickens' symbol of the common man in a debt economy. He is the product of a social structure in which individual ownership is denied the many; in which labour, once vested with dignity, has been debased to the level of a commodity and as such, is forced to compete within itself and with the labour saving machine in the market place of industry, and failing, must endure misery.

The age of scarcity is past. The accumulated knowledge and techniques of civilized society can make possible an age of abundance scarcely imaginable, if man can but learn how to use what he himself has created, but since man, disorganized, has proven himself inadequate to perform the task, it devolves on government to guide him in this great venture.

Function of Government

Government, responding to the expressed desires of the people, must act in both the political and the economic spheres to ensure that humanity retraces its most progressive pathways. Government must quench the fires of economic civil war which rage within the society it governs.

In carrying out its natural function, government cannot rightfully step outside the limits of its proper field of activity. In seeking to establish social justice, it must look beyond mere palliative methods of redistribution as the sole means of changing conditions at variance with the democratic ideal.

In its function as the guardian of individual liberty, government must not filch that liberty as the price of a rightful security. Nor must government become obsessed with the belief that by speeding the process of centralization can a multitude of problems be better solved. Rather must government seek to break down problems into their essential elements, and distribute its own administrative machinery so that localized attention can be devoted to localized ills. In short, democracy functions best on a basis of decentralization, and this fact must be recognized by government.

Reconstruction demands a process of social engineering, and social engineers will bear in mind that social power lies in the unity of the people. They will recognize that social power bears certain characteristics similar to solar power. It must be properly generated, properly transmitted, properly applied. And like all engineers, they will recognize that the longer the line of transmission, the greater the loss of power. Government, therefore, will remain close to the source of power. Democracy means

government on the spot. Totalitarianism means government by remote control.

. . .

"The office of government is not purely repressive, to restrain violence, to redress wrongs, and to punish the transgressor. It has something more to do than restrict our natural liberty, curb our passions and maintain justice between man and man.

"Its office is positive as well as negative. It is needed to render the nation an organism, not a mere organization; to combine men into one living body, and to strengthen all with the strength of each, and each with the strength of all; to develop, strengthen and sustain individual liberty, and to direct it to the promotion of the common weal; to be a social providence, imitating in its order and degree the action of divine providence itself; and while it provides for the common good of all, to protect each, the lowest and the meanest, with the whole force and majesty of society.

"It is the minister of wrath to wrongdoers, indeed, but its nature is beneficent; and its action defines and protects the right of property; creates and maintains a medium in which religion can exert her supernatural energy; promotes learning, fosters science and arts; advances civilization; and contributes as a powerful means to the fulfilment by man of the divine purpose of his existence.

"They wrong who call it a necessary evil; it is a great good, and instead of being distrusted, hated or resisted, except in its abuses, it should be loved, respected, obeyed and, if need be, defended at the cost of earthly goods, and even of life itself."

Here in the words of Orestes A. Brownson, is presented a reason for democratic government. Given such government, reconstruction of the social order can no longer be considered impossible.

CONCLUSION

In adopting the foregoing approach to the problem of Reconstruction, the General Committee has adhered to the principles expounded therein, and has accordingly agreed that those best fitted to deal with its component parts are best fitted to report their findings.

Since each member has headed, or has enjoyed membership in a subcommittee of persons qualified by training and experience to conduct an intelligent study of the subjects assigned, no effort has been made to give a generalized version of their individual findings.

Each subcommittee Report, therefore, is presented in full in the Main Report. The Reports represent the unanimous opinion of those who compiled them, and presentation of them in their original form expresses the unanimous endorsement of the General Committee.

It is felt that this method of presentation is most fair to those who have laboured at the manifold tasks involved, and to the people of Alberta, who receive the Report through their Representatives, the Lieutenant Governor in Council.

As a further mark of unanimity, the Committee presents in the Main Report a summary of all recommendations, listed under appropriate headings.

The Committee notes with approval that the Government proposes to establish a Department of Economic Affairs, in which the work initiated by this Committee will be continued. This is in harmony with the general feeling of the Committee, and, by the signs evident, with the clearly expressed wishes of the People of Alberta.

Edmonton, Alberta,

March 1, 1945.

HON. A. J. HOOKE,
Chairman of Post-War Reconstruction
Committee, Province of Alberta,
Edmonton, Alberta.

Dear Sir:

On behalf of the Post-War Reconstruction Subcommittee on Social Welfare, I beg to submit the following Report, based on the Terms of Reference for the said Subcommittee.

Yours very truly,

CORNELIA R. WOOD,
Chairman, Subcommittee
on Social Welfare.

SOCIAL WELFARE



CONTENTS

FOOD, CLOTHING, SHELTER

PRODUCER-CONSUMER RELATIONSHIPS

HOME AND FAMILY LIFE

RETURNED MEN AND WOMEN

HEALTH NEEDS AND SERVICES

RECREATION AND PHYSICAL FITNESS

SOCIAL SECURITY MEASURES

Report of the Subcommittee On Social Welfare



The Subcommittee on Social Welfare consisted of:

Mrs. C. R. Wood, Chairman
Mrs. A. L. Grevett
Dr. A. Somerville
Mr. E. J. Martin
Mr. David Duncan
Mr. C. E. Nix taking Mr. Duncan's place in 1944
Mr. W. E. Bullock acted as Secretary.

The Subcommittee was instructed to enquire into, and report on, the needs of the people of Alberta, having due regard to the possible growth of the population after the war, the responsibility of the Nation to the individual, and the individual's responsibility to the Nation in regard to social security measures, such enquiry to include:

1. A survey of the requirements, and availability of the required supplies of food, clothing and shelter:
 - (a) **Food:** With a view to raising nutrition and health standards of the individual and the family.
 - (b) **Clothing:** From various materials.
 - (c) **Shelter:** Reviewing existing housing conditions, urban and rural, as based on an adequate programme to meet possible future needs, and a higher housing standard.
2. Producer-Consumer relationship.
3. Home and Family Life:
 - (a) Raising the standard of efficiency in homes (rural and urban) toward establishing home-making as a profession.
 - (b) Children—their needs of preparation for citizenship.
4. Health Needs and Services:
 - (a) A review of existing health services required for the people of Alberta.
Investigation of the methods by which these services can be improved or extended.
 - (b) Health Education:
 - i. In health units, in schools, in homes and in
 - ii. Educational services to mothers, in pre-natal and post-natal care;
 - iii. Educational guidance for families in meeting individual problems in health, nutrition, care and training of children.
 - (c) Preventive medicine.

5. Recreation and Physical Fitness:

Physical Fitness and Recreation as essential features of social well-being for children and adults, rural and urban.

6. Social Security Measures:

- (a) Examination of existing social security measures, such as pensions for the blind, and the deaf and dumb; relief; allowances for poliomyelitis sufferers; social legislation, etc.;
- (b) Examination of proposed social security schemes in Alberta, Canada, and other countries:
 - i. Beveridge, Marsh and other plans embodying a comprehensive system of compulsory state insurance for unemployment, sickness and old age benefits, combined with family allowances;
 - ii. Dominion Health Insurance.

Social Welfare as we understand it, means the welfare of Society. It means all that is implied in the Four Freedoms, as enunciated following the declaration of the Atlantic Charter. It is our counterpart of the charity of old—the charity that is based on love of fellow-men, the charity that is carried out, not as a pious duty, but as a rightful function of a Christian Society.

While the rights of citizenship carry certain obligations and involve the duty of each citizen to contribute his utmost to society, they also entitle the citizen to adequate living standards, all of which come within the scope of an ordered economy and include freedom of choice and ready access to nourishing food, ownership of modern homes, warm clothing, adequate fuel, a good education, social security, health facilities, sufficient retirement allowances, etc. Widely varied and urgent problems must arise when we confront the necessity of creating such an ordered economy in which to re-employ skilled war workers in peace-time vocations and to rehabilitate returning troops.

The first basic step in the promotion of Social Welfare is bringing a diet, adequate for health, within the reach of every family. To this, add a home in which families can live contented lives and we have the foundation on which to build a better civilization. If a new and better order is to be brought about, our people must insist on building from the foundation upwards and begin by supplying the primary necessities of life to all.

I. A Survey of the Requirements and availability of the required supplies of food, clothing and shelter, brought out the following:

(A) **FOOD:**

With a view to raising nutrition and health standards of the individual and the family.

Profit motives with their wilful restriction or destruction of production, antiquated distribution methods, legal barriers and technicalities must not, since we have been able to deliver lend-lease goods to our Allies and “free gifts” to our enemies, determine either method or extent of human endeavour which is designed to abolish all the budgetary worry, petty crime and squalor of the past. Such endeavour must be predicated solely upon our proven ability, with the most modern technological devices and with the latest scientific knowledge, to produce and distribute to everyone, in perpetuity,

more than sufficient goods and services for all requirements from our wide range of resources. These should be the objectives of democratic government. They involve both Dominion and Provincial Government jurisdiction, but in this report special attention has been given to the latter.

Improved agricultural and mechanical science having increased production greatly, and advanced knowledge of nutrition having revealed how to build the body to resist disease, extend life and reach greater physical and mental vigor, it is self-evident that in Alberta, either insufficient purchasing power or ignorance of nutrition, or both, must be responsible for hunger or malnutritional debilities. The latter must be overcome through effective publicity and education, emphasizing the intelligent selection of foods to secure all nutritional elements, instead of various synthetic products such as vitamin pills. As for the former, inquiries conducted for the Committee establish that, were the purchasing power of the people sufficient, and consumption based upon recognized nutritional standards, the Alberta market could consume an immensely larger volume of our own produce. For example, Alberta uses an average of 448,000 quarts of milk daily, when it should use 554,000 quarts.

Milk and healthful dairy products stand at the top of the essential food products. Following is a table showing the estimated milk requirements for Alberta, based on a population of 800,000, of which 308,000 are under 19:

Total population.....	800,000
Child Population—19 and under.....	308,000
Adult Population—20 and over.....	492,000

Conversion Tables:

- 1 lb. of butter requires 23.41 lbs. of milk.
- 1 lb. of cheese requires 11.2 lbs. of milk.
- 1 Gal. of Ice Cream requires 15.71 lbs. of milk.
- 1 lb. of Evaporated Milk requires 2.2 lbs. of milk.

Fluid Milk:

	Yearly Milk Requirements Pounds:
308,000 children @ $2\frac{1}{2}$ lbs. per day.....	281,050,000
492,000 adults @ $1\frac{1}{4}$ lbs. per day.....	224,475,000

Butter:

32 lbs. per capita—25,600,000.....	599,296,000
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Cheese:

4 lbs. per capita—3,200,000.....	35,840,000
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Ice Cream:

1942 production and consumption—928,907 gals. ...	14,590,000
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Fed to Farm Animals:

400,000 head @ 400 lbs. per year.....	160,000,000
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Total Milk Requirements.....	1,315,251,000
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1942 Total Milk Production.....	1,800,000,000
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This would enable Alberta to meet her own requirements and manufacture for export:

	Milk Required (lbs.)
Butter.....19,100,000.....	447,131,000
Cheese.....1,004,540.....	11,250,820
Evaporated Milk.....12,000,000.....	26,400,000

To encourage the production of milk and dairy products, the Federal Government has stabilized the butter market by means of minimum prices, and in addition, subsidies have been paid on butter-fat for churning purposes and milk for fluid sale and for cheese factories and concentrated milk plants.

Milk, containing protective and bone building ingredients; protein, calcium and other minerals as well as fat, is the nearest to being a perfect food in itself, so diets should be built around it.

FLOUR AND BREAD

CANADA APPROVED FLOUR: (or Vitamin Flours) are not "enriched" or "Fortified" flours which are usually obtained by adding certain synthetic chemicals, but, in the milling process of these flours, much more of the natural B Vitamins and minerals (wheat germ) of the wheat berry are retained than in the process for white flour. Flour labelled "Vitamin B White Flour (Canada Approved)" is a creamy white flour milled to retain 400 international units of Vitamin B₁ per pound. Flour labelled "Vitamin B Flour (Canada Approved)" is somewhat darker and retains 550 units Vitamin B₁ per pound. Whole Wheat Flour results in a dark product, but contains 660 International Units B₁ per pound. Hence, we should stimulate the use of whole wheat flour wherever feasible, otherwise insist upon Canada Approved Vitamin B Flours, which have been tested and found very satisfactory for all home baking, including home baked bread.

Six slices of the new "**Vitamin B White Bread**" will provide 1/6 of the daily needs of Vitamin B₁ or 1/5 if **Vitamin B bread**, or 1/4 if **Whole Wheat bread**. Other rich sources are: Rolled Oats and other whole grain cereals.

Lack of Vitamin B is common in the diets of many. We have learned to like many refined foods, such as white sugar and patent white flour, which contain very little vitamins. Alberta grows an abundant grain supply and we can produce a plentiful supply of flour and other cereal products which are among the most economical foods in our diet. Most people eat bread with every meal. For this reason it is evident that if bread is made from rich flour, the way is opened for considerable improvement in the health of the nation.

Although the Federal Government has established specifications in high Vitamin content flours "Canada Approved Flour", it is estimated that less than 10% of the flour used in Canada is of this type. It is important that each individual learn for himself the foods needed for nutrition and improve his own nutrition by eating the foods he needs. His demands regulate the quality of supplies.

In Edmonton, a survey made in 1939 showed that the average Vitamin B₁ intake was something like 250 international units, a value close to the border-line for the occurrence of deficiency diseases.

Adequate supplies of such nutritious foods will be made available if, and when, the demands of an enlightened consumer-market are made known.

MEATS

The study of meat has brought to light the fact that only two qualities are branded: "Choice Quality" is marked with a Red Ribbon-like stamp so that part of this grade stamp remains visible on every Cut. "Good" quality is marked similarly with a blue ribbon-like stamp. All beef and many other meats should be marked according to grade, to ensure that the consumer pays according to the grade he receives.

SUMMARY:

From an investigation into the different foods we consume, it is not surprising to find that we are getting less than minimum requirements of nutritive elements from many of them. The following table depicts the problem from an overall viewpoint, by condensing national averages down to quantities for an individual. The first column (from UNCFR Report) gives the annual per-person food requirements on a low-cost basis. Against this we show in the second column (Dominion Bureau of Statistics) actual food going into civilian consumption in Canada in 1943. The third column indicates these 1943 figures as percentages of the minimum requirements in the first column. Such figures are useful merely to indicate the general existence of the food problem. We were unfortunately unable to obtain similar statistics for Alberta alone:

Food Requirements as delivered to the Kitchen United Nations Conference on F & A.		Per Capita Supplies of Food Moving into Civilian Consump- tion, Canada, 1943.	
lbs. per person—yr.		lbs. consumed per	
Food Groups	at low cost level	person, Canada 1943	1943—%
			Minimum require
Grain Products.....	229	215	94%
Milk (as fluid).....	490	64	13
Starch-rich tubers, etc.....	180	205	114
Mature Legume-Seeds.....	24	12	50
Vitamin C Fruits.....	79	61	77
Leafy Green Vegetables.....	79	43	55
Other Vegetables & Fruits....	119	105	88
Meats, Fish & Poultry.....	90	160	178
Eggs.....	28	38	136
Sugar.....	35	79	225
Fats.....	51	44	86

Feeding the people on a health basis is infinitely more important than striving to increase our agricultural exports. So favourably blessed with regard to food supply, however, Alberta can undoubtedly expect to export many surplus foods in exchange for products and manufactured goods from other regions. For optimum productive efficiency it would appear quite logical and sound that our people be built up in health and strength as a first claim upon our largely self-sufficient food supply.

THE SUBCOMMITTEE RECOMMENDS:

- (1) That provisions be made to supplement diets of children, expectant and nursing mothers, aged persons and invalids when these are inadequate because of low incomes;

- (2) That proper attention be given to education on nutrition, with particular regard to the importance of getting this information to those who need it most.
 - (3) That any restrictions in the distribution of milk found to be detrimental to consumers and producers be removed and further study be given to a scientific method of distribution by which the spread in the price of milk may be reduced; and that urban bodies of over 3,000 population investigate the advisability of making the distribution of milk a publicly owned utility.
 - (4) That the sale of whole wheat bread and bread made from "Canada Approved" flours be encouraged by the most effective means.
 - (5) That all meat sold in Alberta should be inspected and graded and all grades stamped accordingly for the protection of consumers.
- (N.B.—See important Food Recommendations at end of Consumer-Producer Relationships.)

(B) CLOTHING:

A Survey of the Requirements and availability of the required supplies for clothing—from various materials:

The interest in textiles and textile study has been gradually developing for a number of years, and consumers have been endeavouring to secure standardization and honest labeling of textile products so that the nature and quality may be judged from the labels. Some progress has been made in this, but there is still a long way to go before the consumer has the protection necessary in purchasing textiles of quality.

A careful study of textiles in schools and colleges, in women's clubs and by individual consumers is necessary if we are to have an alert and intelligent public opinion supporting effectively the complete standardization and labeling of all textiles.

Unlike food, minimum requirements of clothing cannot be established universally. For Alberta the minimum requirements of clothing might be set at enough to provide the body with a covering of equal warmth throughout, and adapted to the requirements of the day.

Alberta being in the cold weather zone, requires body coverings of wool for the protection against the wintry blasts. The following table shows the estimated annual consumption of clean domestic wool for a family of four:

Blankets.....	2 pair including fire losses and other destruction as well as hotel and hospital requirements.
Underwear.....	4 Senior suits. 4 Junior suits.
Coats.....	3 coats (1 senior and 2 junior).
Stockings.....	12 pair Junior. 6 pair men's socks.
Suits.....	1 1/4 Senior. 1 1/4 Senior 1/2 Junior.
Mufflers.....	2 Standard size.
Mittens.....	3 pair.
Gloves.....	2 pair.

Bathing suits.....	2.
Toque.....	1.
Cap.....	2.
Sweaters.....	3 (2 Junior and 1 Senior).
Wool Batts.....	2 (1 lb.) batts of 100% wool.
Sundries.....	1½ lb. of wool for gifts and home novelties.

Blankets:

Standard size and weight. Blanket sizes of all wool content are 56 x 78, 60 x 84, 66 x 86 and 72 x 92. Weights 3 lbs., 3¼ lbs., 3½ lbs., 4 to 5 lbs. Standard shoddy blankets are the same sizes as wool standards but new wool content would average approximately 15%, the rest being re-worked materials.

Underwear:

Average size medium weight men's underwear, heavy rib, medium, all-wool, 1 lb. 4 oz.; hatch needle medium 50% wool, 10 oz. Spring needle medium underwear 50% wool, 10 oz.

Coats:

- (a) Woman's coat—3¼ lbs.
- (b) Man's coat—4¼ lbs.
- (c) Boy's coat—4¼ lbs.
- (d) Girl's coat—3 lbs.

Coating material is seldom made of 100% wool, the reason for having reworked stocks such as garnetted reclaims, noils, etc., is to give a more compact feel and look to the finished coat.

Stockings:

- (a) Women's stockings are now made entirely of nylon, cotton or rayon.
- (b) Men's socks light weight worsted 2 oz., heavy wool, 3½ oz.
- (c) Children's socks usually made of worsted, 1 oz.

Suits: Men's suits, ladies' suits, boys' suits, and girls' suits—information received in regard to suits is that all suits are made of worsted for which most wool is imported, therefore would not affect domestic wool.

Wool Mufflers: Medium size—¼ lb.

Wool Mittens: Child's—1½ oz.

Gloves: Man's size—3 oz.

Bathing suit: 10 to 12 oz.

Wool toque: Child's—2 oz.

Men's caps: At present made from cotton wastes, spun on the woollen system.

Sweaters: Girl's made from worsted—½ lb. made from shoddy and wool—2 oz.

Men's sweater made from worsted—3¾ lbs.

Men's sweater of shoddy and wool—½ lb.

Wool Batts: 100% wool—1 lb. or 1½ lbs.

The approximate shrinkage from raw domestic virgin wool when cleaned and prepared as clean wool ready for the knitting or weaving machine is as follows:

	Choice	Average	Bright	Semi-bright
64/70s—fine.....	60%	63-64%	60%	63-64%
60/64s—½ blood.....	56-58%	59%	56%	59%
58/56s—3/8 blood.....	51%	54%	45%	50%

	Choice	Average	Bright	Semi-Bright
50/54s— $\frac{1}{4}$ blood.....	45%	48%	42%	46%
46s—Low— $\frac{1}{4}$ blood.....	43%	45%	40%	44%
44/40s—Coarse.....	42%	42%	42%	42%

Medium Grey and Coarse has a similar shrink to that 46s Low $\frac{1}{4}$ blood.

Production of Wool in Alberta:

Year	Total Clip lbs.	Quantity Sold lbs.	Average Price to Consumer per lb.	Gross Income \$	Cash Income \$
1942.....	3,720,000	3,708,000	23c.	856,000	854,000
1943.....	4,092,000	4,081,000	24.8c	1,015,000	1,011,000

Number of Sheep in Alberta:

Year	Number of Sheep	Value
1942	828,000	\$7,700,000
1943	900,000	8,976,000

Other Facts Concerning Sheep and Wool Production in Alberta:

Number of Sheep Shorn		Average pounds per Fleece		Total Production	
1942	1943	1942	1943	1942	1943
		lbs.	lbs.	lbs.	lbs.
442,800	541,500	8.4	8.0	3,720,000	4,092,000

Figures compiled some years ago based on total Dominion consumption and allocated to Alberta on a pro-rata population basis provided an estimated market for woollen products—the greater percentage of which is now imported as follows:

Primary Market:	Alberta
Woollen cloth.....	\$ 978,050.00
Woollen yarns.....	441,700.00
Woollen goods not otherwise specified.....	362,060.00
Total Primary Market.....	\$ 1,781,810.00
Market for Converted Materials:	
Clothing, Men's Factory.....	\$ 2,637,520.00
Clothing, Women's Factory.....	3,199,170.00
Furnishing goods, Men's.....	1,665,840.00
Hosiery and knit goods.....	3,383,470.00
Total Market for Converted Materials.....	\$ 10,886,000.00

Imports of Woollen products in Alberta at that time were:

Blankets.....	35,000 pairs, valued at.....	\$175,000
Blanket Cloth.....	275,000 yards, valued at.....	247,500
Woollen yarns.....	valued at.....	100,000

From this survey it is noted that an average of approximately 30 lbs. of clean wool is the yearly requirement of a family of four. If a larger percentage of wool in underwear, socks, sweaters, etc., is desired of course the average number of pounds of clean wool is proportionally increased. But taking the lowest average, for Alberta's 200,000 families, 6,000,000 lbs. of clean wool are required, or roughly 12,000,000 lbs. of raw wool, since 40 to 60% shrinkage has to be allow-

ed. Alberta's production does not equal that, so three times as many sheep are required to produce enough wool for full requirements of the people of Alberta.

Alberta's domestic wool is excellent for making of wool yarns and wool batts, hence encouragement should be given to establishing a factory for the production of these essentials here in the Province. The cost of putting up such a factory and installing equipment would only be one-third the cost of a factory for the making of blankets and such materials. Dominion regulations require a certain percentage of reworked wool to be used in the manufacturing of blankets and other articles. Today all reworked wool is imported from Eastern Canada, so it is advisable that investigations be made regarding the possibilities of reworking wool in this Province instead of sending old materials to the East where it is reworked and then shipped back to our Province.

Blankets are made at the Golden Fleece Woolen Mills at Magrath. Clothing such as sweaters and socks is made at Caldwell Knitting Co. of Calgary; and Logan Garment Co., of Lethbridge makes ladies' knitted wear.

HOME WEAVING:

Home weaving in Alberta has been encouraged by the Banff School of the University of Alberta for the past 12 years, and has been practiced by a small number of people from an artistic, rather than a utilitarian point of view. In the last two years the movement initiated through the Searle Grain Co., has assumed some practical local importance.

The Company initiated handicraft classes primarily to add interest to the lives of farm women, and not to encourage a cottage industry. Nevertheless, the Subcommittee appreciates the fact that from cottage industry springs true industry; and that the successful utilization of Alberta wool in the weaving of garment material is a pointer to the greater utilization of this product on a wider basis.

There are eleven of these weaving circles in Alberta, all of them in French Canadian districts. At the last report the weavers had produced 1,263 yards of material 45 inches wide, all of which had been made up into clothing for men, women and children, and as bedspreads, portieres, scarves, neckties, counterpanes, draperies, luncheon sets, towels and other useful home articles.

Weaving is done on a 45-inch loom of the six-treadle, four-harness type, which cost about \$48.00 and is obtained from the company. The loom is of the type designed by O. A. Beriau of the Quebec Department of Agriculture. Mr. Beriau is considered one of the greatest experts on handicrafts and weaving in the world.

The craft is taught in classes organized by the Company at rural points through adult education organizations. After six weeks training the graduates are able to start teaching others in their district.

Members of the weaving circles are induced to produce their own wool, and the sponsors claim that five or six animals sheared annually will provide all the wool required by an average farm family doing their own weaving of such articles as mentioned above.

FIBRE FLAX:

The Searle Grain Company is also experimenting with the production of fibre flax as a means to introduce linen weaving in their circles and fifty experimental plots were sown in the prairie Provinces during 1942-43.

It is claimed that where fibre flax can be grown a quarter acre will provide sufficient linen articles for an average household every year, so if the areas could be found to successfully grow fibre flax in Alberta 80 sections would grow all the fibre flax for linen articles for Alberta. That would warrant establishing a linen factory in Alberta.

The areas in Alberta where greatest success has been achieved are Westlock, Mallaig, and Fort Kent. The Westlock fibre according to Major Strange, has been retted, scutched and spun in Quebec and has produced a linen thread comparable to the average produced in Belgium or Ireland.

In those countries retting of the flax straw is done generally in flowing streams. The mineral contents of the streams and their bacteriological make-up have varying effects. Soils also have varying effects on the flax straw. In Belgium the soil produces a fine fibre.

In Minnesota, funds were appropriated for the purpose of conducting research with flax fibre, in the University of Minnesota, with the result that progress has been made, not only in the growing of fibre flax but in the production of fibre from seed flax. Ten million tons of seed flax straw has been going to waste there every year but progress is now being made in utilizing the straw for cigarette papers.

Textile manufactures claimed that a long fibre was needed to produce textile threads, the normal length of commercial fibre being 27 to 36 inches. Machinery has been developed to utilize this length of fibre but the Minnesota researchers developed textile machinery that would handle fibre 12 inches in length and spun thread from that length fibre and they have woven linen from the short fibre seed flax straw.

In British Columbia, the fibre flax industry has been initiated by co-operative concerns developed along lines of similar organizations in Oregon, where it has been demonstrated that economic and social advantages have been derived by the agricultural committees in which fibre flax co-operatives have been established.

Experiments indicate that textile manufacture can be carried out in Alberta utilizing Alberta raw materials. Experiences in Minnesota, British Columbia and Oregon also point to the possibility of opening a textile industry and Government sponsored co-operatives would encourage this.

THE SUBCOMMITTEE RECOMMENDS:

6. That research and experimental work in growing fibre flax in Alberta be increased.
7. That the opening of a textile industry in Alberta be encouraged.
8. That the Provincial Government take immediate steps to make a thorough survey of the possibilities of establishing a factory for production of wool yarns and wool batts from domestic wools.

9. That since a large quantity of reworked wool which is imported from Eastern Canada, is used in manufacturing blankets and other articles under Dominion regulations, it is advisable to investigate the possibilities of reworking wool here, to be used with our virgin wool.

C. SHELTER:

Reviewing existing Housing Conditions—urban and rural, as based on an adequate programme to meet possible future needs and a higher housing standard:

The purpose of housing is to establish the kind of living conditions in which families can dwell in dignity and privacy, so that the processes of life may continue with the minimum of public maintenance and assistance. Shelter is a somewhat broader term and may be taken to mean the house, the land on which it stands, furnishings, equipment, electricity, telephone, water, sewer and gas.

There is a very definite shortage of homes in Alberta, both in urban and rural areas. The shortage is not of recent origin, for as far back as 1931, the census showed that 69% of rural families lived in homes of 1 to 4 rooms and 43% of urban families were housed in similar restricted quarters.

Alberta contains more than 90,000 square miles of forest lands, much of it available and accessible for lumber manufacturers. There are sawmills, cement works and lime kilns, tile and paint manufacturers, brickyards and bituminous building products plants as well as insulation manufacturers. These are capable of supplying housing materials sufficient to provide adequate shelter for every Alberta citizen.

Although virtually all necessary building materials have been or can be produced in Alberta, most houses have been built to suit the pocket-book, rather than the needs of the family and as a result are too small and too frequently of faulty design and construction.

The 1941 census returns demonstrate that in Alberta's 100,000 farm houses, only 5.5% have electricity; only 4.3% have bathrooms, only 2.5% have proper sewage facilities and 10.8% have furnace heating. In this Province of immense coal and gas resources, we find that 57% of farm homes are heated with wood.

Modernization of the farm home by installing plumbing and sewage disposal plants was the subject of intense study by the sub-committee. Based on the existence of available electric power, we find that a fair average figure for these installations is \$1,000. If a water and sewage disposal programme were carried to every farm home in the Province, it would create a market for \$100,000,000 of plumbing and construction materials, transportation services and labour. Extension of the programme to small towns and villages now lacking these necessities, would probably increase the total by at least one-half. Since the construction trades are recognized as the barometer of business, the effect of such a programme on the general economy of the Province would be remarkable if it were made possible to reach completion in the post-war decade.

Distances between farm homes in Alberta creates some problem in supplying power lines for rural electrification. To supply ten to fifteen houses in one town or city block is quite different from carry-

ing power lines a mile or two in rural areas to reach one farmstead. To offset this, however, the fully electrified farm would use power for pumping water, grinding feed, lighting barns, garages, etc., as well as for the house. Experiments should be made to ascertain if less costly methods of carrying power to rural areas could be found. Steps to equalize rates should be considered also, whereby the whole province would be rated instead of the present system where town and cities are rated separately.

At the 1944 Session of the Legislature, an Act was passed setting up a Provincial Power Commission to deal with electric power development in the Province. A feature of work of the commission might be to educate the people of rural areas as to the costs and advantages of rural electrification.

The benefits to, and contentment of, rural people through the betterment of farm homes by means of electrification should be emphasized. The market for electrical equipment and plumbing and other supplies connected with a rural electrification project would create a works programme employing much unskilled as well as skilled labour in the post-war period.

In a properly functioning democracy in which the person is assured of an economic sufficiency, it is reasonable to suppose that the head of the household will always be enabled to buy, build or rent a dwelling at reasonable cost, without necessity for state aid, provided that the raw materials for building are present and the head of the household is conscious of his responsibilities. But since we have not a properly functioning democracy and economic deficiency is the lot of the common man, incomes are not generally sufficient to permit the wage earner or the farmer to build a suitable house for himself and family.

Experts in the field of housing declare that the greatest expenditure which a family can safely make for rent or for home purchase, is 20% of the monthly income. They give it as a sound rule that the total cost of a house should not exceed two and one-half times the annual income. For example, in the case of a family whose income is \$100 a month, the rent or payments should not exceed \$20.00 a month and the value of the house purchased should not exceed \$3,000.

In twenty years such a family would pay \$4,800 in rent and in forty years or a life-time they would pay \$9,600. During that life-time period there would be no practical security of tenure and no sense of pride of ownership. A glance at all these figures shows that if only there were some means available to make home ownership possible, the average tenant could normally purchase his own home.

Over a period of forty years, the difference between \$3,000 purchase price paid by a family of \$100 a month income and \$9,600 rental price is the saving subject to deductions for taxes, repairs and insurance.

It is the stumbling-block of the down payment that condemns thousands of Albertans to life tenantry and robs them of savings they could enjoy as home-owners. This situation is universal and is accepted by many as normal and inevitable and not subject to change by God or man. They advocate State programmes of low rental

home-building and argue it is not economically possible for millions of workers to achieve home ownership and that State built or state subsidized homes provide the only answer to the housing problem. Others advocate low-cost housing loans over a period of years.

Hence it is found that in most civilized countries, Governments have been launching subsidized housing schemes. In 1851, the Shaftesbury Act was passed in England, marking the first occasion on which a Government recognized its obligation to improve housing conditions for its people. But it was more than the acceptance of a responsibility for housing those unable to house themselves; it was also an admission that under the economic system which grew with the Industrial Revolution, economic deficiency was the heritage of the common man who was thus condemned to wage-slavery as a condition of life and life-tenancy as a condition of living.

Canada's entry into the field of assisted housing naturally came later than that in older countries. Nevertheless in 1913, Ontario found it necessary to legislate in an attempt to improve housing conditions. The legislation made it possible for Municipal Governments to guarantee up to 85% of the bonds issued by housing companies. Only in Toronto was action taken and that to a small extent.

In 1919 the Dominion Government authorized loans to the Provinces under provisions of the War Measures Act. The provinces in turn allocated loans to municipalities. The money was issued at 5% on a 25 year maturity basis. In four years 6,242 houses were built in Canada and \$2,500,000 was allocated.

Ottawa passed The Dominion Housing Act in 1935, The Home Improvement Loans Guarantee Act in 1937 and The National Housing Act in 1938. An important feature of this last Act was that \$30,000,000 was made available in Canada for low rental projects by municipal governments or by limited-dividend companies and not a single dollar of the money made available was ever used.

Albertans were the forgotten people during the years when the Dominion Housing and National Housing Acts were in operation. Because of existing debtor-protective legislation, it was argued by the lending companies that it would be unwise to enter the Province as lenders of money. This is still in evidence. Not only have Albertans to suffer the effects of the building lag caused by the depression, but from that caused by the shortage of materials and labour brought about by the war.

Recently the Provincial Government has advanced a housing proposal designed to encourage the formation of a province-wide building association in which municipalities are invited to subscribe for shares along with the government. It will be operative in rural and urban areas provided the municipal government has joined the association. Direct action of the people is required to urge upon municipalities the necessity for entering into the association to get the much-needed homes built. When municipal governments of Canada allowed \$30,000,000 to go unused when it was available and when houses were badly needed, the people were apathetic about it. Albertans must not be apathetic regarding this opportunity.

There is nothing in this proposal which would prevent any group of people from establishing a voluntary co-operative building

association under The Alberta Building Associations Act of 1940. The Edmonton Co-operative Building Association Ltd. was incorporated on August 8th, 1942, under this Act. Since then it has completed 49 houses and of these 7 are completely paid for. The average cost of homes is around \$4,000. This association began with 10 members and now has 176 with over \$22,213.62 paid up in shares.

People are encouraged to join Co-operative Building Associations to save regularly through the purchase of shares by monthly instalments. When these regular savings amount to a sum sufficient to provide at least 25% equity in a home, the remaining 75% can be borrowed from the Association, which takes a note and a first mortgage on the property.

These Co-operatives are of value in assisting with home-building, but they are a slow solution. Hence the combined Government-Municipality proposal in which the Province is prepared to make available the minimum of \$1,000,000 for loans for home-building carry interest not exceeding 4.3%.

The War Time Housing Administration, a Dominion organization, has attempted to ease the housing situation in heavily populated areas, by providing homes of a non-permanent type for returned men and war workers. The intelligent and energetic efforts of the Canadian Legion and other Returned Men's Organizations in seeking such action is to be commended.

The National Housing Act which provides loans at an average of 4½%, with low income brackets receiving special consideration, does not meet the need in full.

In England all Housing Legislation passed by Parliament has provided that the actual administration of housing should be entrusted to the local Municipal authorities and that the National Government should only supervise and sanction projects carried out by local bodies. Care is taken to furnish funds at low rates of interest and to prevent prospective home owners from assuming greater burdens than they can bear.

Low interest with amortized payments over a long term, keep the payments within the capacity of the mortgagor to meet and after he has made the first payment it is cheaper for him to continue paying his monthly instalments than to pay rent. High interest compounded periodically, with taxes to be paid separately, has the opposite effect and with low or moderate income families, defaults and foreclosures are inevitable.

Housing is not a problem which cannot be solved. Poverty in the midst of plentiful housing supplies has led to failure in getting the needed houses for the many. Solve the problem of poverty and houses will be built where the need exists. Individual effort will never solve the housing problem; it will take the united efforts of all to eliminate poverty which is the root cause of the housing problem as well as of many other problems.

Much could be written about the undesirable living conditions in both urban and rural areas. Inadequate plumbing, want of ventilation, poor lighting and heating, etc., are found all too often in rural areas especially, while over-crowded conditions of

living create rising costs in social services, crime and juvenile delinquency in many urban centres. There is much over-crowding in houses in rural areas in Alberta also, due to the fact that for many years, low incomes of farmers have made them build houses of cheap construction and the smallest size possible and they have never been able to afford adding to them. The need for improvements is very urgent in rural areas and it should be given priority in any housing programme in the post-war period.

In the immediate post-war period when materials are released there should be a tremendous expansion in private and public building, according to officials of the National Construction Council. They state that the backlog of suspended building alone will be greater than the industry can maintain if ordinary building methods are to be followed. It is stressed that great numbers of workers must be trained to perform semi-skilled tasks in the construction industry and that the advent of prefabrication may make these workers extremely useful in the industry.

On all sides prefabrication is being discussed and designers, engineers and others are agreed that if the physical difficulties of the housing industry are to be solved, homebuilding must move into the factory. Packaged units, it is claimed, will be placed on the market. Plastics, metal alloys and plywoods will be used to a great extent and the actual work of building will be fairly non-technical job of erection. Prefabrication will not, however, come into its own until it reduces the cost of construction below that of on-site projects. In Canada there is one packaged-unit concern at work. This is a firm currently engaged in manufacturing prefabricated buildings for war purposes and which will turn to the home-building field in the post-war period.

In dealing with the problem of housing, a great deal more than actual home-building and financing is involved. There is also the question of town-planning which should be carried out with a view to more permanency, for residential areas. Industrial and business areas should not overlap nor extend into areas set aside for residential purposes. Future housing schemes should conform to town-planning programmes that provide playgrounds, and recreational facilities, etc. In site-planning and development, adequate space should be allowed for every home and crowding eliminated. Town-planning agencies should be bodies more representative of consumers, instead of those interested in the building trades and supplies. There should also be a Home-building Code for the Province, encouraging minimum standards for homes. It is clear that the taxation system based on land, or land and improvements, is not conducive to home ownership and cannot go on indefinitely. Under existing conditions, home-mortgage insurance to protect both borrower and lender is an important factor which must be given more consideration.

Apartments, flats and duplexes have their place in the housing programme. The keynote in housing today is efficiency together with convenience. The apartment, flat and duplex provide efficient housing and what they lack in space they often make up in modern conveniences. For many families they provide the right size of home and present the best answer to the problem of getting help in the home.

The subcommittee did not deal with actual methods of designing and constructing and furnishing homes, but were of the opinion that qualified women should be placed on Boards and other bodies as consultants where plans of homes are concerned.

Adequate shelter is a fundamental necessity of life, second only to food. The factors that contribute to housing shortage and inadequate shelter for all are:

- (1) The basic problem—that of poverty. Too low incomes of too many families for too long makes it impossible for them to own their own homes and causes crowding and slum conditions
- (2) The system of taxation placing increased taxes upon improvements has discouraged improvements on houses.
- (3) The high cost of land is a deterrent factor in many cities.

The housing problem is highly complex and until the economic system is geared to meet the needs of the people the problem will exist. Until that economic reconstruction is made the Dominion Government should make available for the home-building needs of the people, money on long terms at a cost not to exceed 2% per annum. The economic stimulus resultant from an efficient home-building programme would warrant this, even if this money were loaned at less than cost. The principle of financing production by giving bonuses has been recognized by the Dominion Government. A more effective method of stimulating trade, the sole purpose of which is to provide people with the goods and services they want, is to bonus the consumer which in the present instance would be done to a limited extent by providing money for home-building at low rates and on long terms. To thus stimulate home-building, employment would be created in construction work and in building supplies in the post war period.

THE SUBCOMMITTEE RECOMMENDS

10. That future housing schemes conform to town-planning programmes which provide playground and recreational facilities, space for gardens, etc.
11. That planning for rural homes should include light and water systems and other modern conveniences.
12. That municipalities be further encouraged to participate in the Provincial-Municipal proposal for the proper housing of their people.
13. That qualified women be appointed on boards and other bodies where plans and designs of homes are concerned.
14. That a Home-building Code for the Province be drafted, encouraging minimum standards for houses.
15. That careful consideration be given to reforming the existing taxation system that is based on land and improvements and which create unequal burdens.
16. That as a part of a Nation-wide housing programme, the Dominion Government make funds available in forms of loans at very low interest rates and long terms for new houses and improvements on existing houses both urban and rural.
17. That the Provincial Government pursue its policy of preventing monopolies by extending this, if necessary, to building supplies.

II. PRODUCER-CONSUMER RELATIONSHIPS:

The term "Consumer" in its plural form embraces the people of the entire world, thus indicating the necessary scope and breadth of any discussion based upon true consumer interests and principles of consumer economics.

Consumers want guaranteed security of food, clothing, shelter, health and education, together with all the traditional democratic freedoms in perfected form. The consumer must be regarded as the person who eats, needs clothing and shelter, and not as the man who can buy. We must regard the needs of man as the first consideration.

In Washington, the National Resources Planning Board has expressed post-war aims in the "New Bill of Rights" as follows:

- (1) "The right to work, usefully and creatively, through the productive years."
- (2) "The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift and other socially valuable services."
- (3) "The right to adequate food, clothing, shelter and medical care."
- (4) "The right of security, with freedom from fear of pauperism in old age, want, dependency, sickness, unemployment and accident."
- (5) "The right to live in a system of free enterprise, free from compulsory labour, irresponsible private power, arbitrary public authority and unregulated monopolies."
- (6) "The right to come and go, to speak or to be silent, free from the spyings of secret political police."
- (7) "The right to equality before the law, with equal access to justice in fact."
- (8) "The right to education, for work, for citizenship and for personal growth and happiness."
- (9) "The right to rest, recreation and adventure, the opportunity to enjoy and take part in an advancing civilization."

Students of consumer economics, while not blind to practical obstacles and difficulties, contend that achievement of a post-war economy embracing the above Bill of Rights is entirely feasible and attainable—if and when the idea of consumer sovereignty is allowed to permeate and dominate our entire economic and governmental structure. Given free rein and encouragement, the sovereign consumer will build a sound world based on justice, righteousness and good-will, dissolving and ousting our current system of brutal exploitation and "Government by pressure." As we all know, our present economy has been ridden by self-interested producer-groups and powerful private industrial interests, only to be saved at the brink of destruction, through the blood, sweat and tears of a "people's war." Surely after paying such crushing penalties for our pre-war ignorance and irresponsibility we will now rouse enough intelligence to organize a "people's peace"—in other words: a "consumer economy." We should now return with bowed heads to Adam Smith who said: "Consumption is the sole end and purpose of production; and the interest of the producer ought to be attended to only so far as may be necessary for promoting that of the consumer. The maxim is so perfectly self-evident that it would be

absurd to attempt to prove it." But let us return still further, with revitalized hope and determination, to the Supreme Economist who advised: "LOVE THY NEIGHBOUR AS THYSELF." This is the essence of the consumer philosophy.

ESSENTIAL REQUIREMENTS FOR A CONSUMER POLICY IN THE PROVINCE OF ALBERTA:

1. Set up a provincial Department of Consumer Affairs, headed by technically qualified officials of proven integrity and demonstrated devotion to consumer interests, under a cabinet Minister. The functions and duties of this Department would be to protect, represent and promote the best interests of ultimate consumers in every possible way. It would be called upon for consultation and advice by all other government Departments and Agencies. It would initiate good consumer legislation. It would encourage consumer educational and co-operative societies, and it would collaborate with consumer agencies in the federal, empire and international fields.

There was a period in history when the orderly and efficient growth of expanding industrial production and marketing required the best assistance and supervision of government. This period of early growth has now resulted in, and given away to (in North America at least) a new era characterized by a magnificent productive machine and a super-abundance of nearly all the various goods and products considered essential and desirable. As we are now faced with the pressing problem of fair distribution of this abundance, the ultimate consumer, with his natural abhorrence of unemployment and poverty-amidst-plenty, is ready to step to the centre of the economic stage. He urgently needs representation, and protection of his rights in matters of every sort, in the business of every existing Government Department: Law, Labour, Agriculture, Education, Health, etc. In the past, questions of vital concern to the entire population as consumers, have too often been settled adversely by the pressure of special interests and powerful, lobbying groups.

Important though the consumer protection function is, it is still more essential to have a strong government Department leading the pioneer work in development of positive measures for consumer welfare.

2. Organize a provincial Consumer Research Council with a prominent staff of trained scientists and technicians, representing all the chief recognized fields of scientific study. Working in close co-operation with the Department of Consumer Affairs, this Council would assign various studies, surveys and research projects to the qualified technicians on the permanent staff or to independent consultants of unquestioned ability and integrity. Research Laboratories, Libraries and files would be developed as quickly as possible in order to meet the most pressing of consumer needs. Reports would be translated into terms most readily understood by the general public and duly issued through the Consumer Bulletin and other available media.

We need only comment in passing upon the anomaly, from the consumer's viewpoint, of the National Research Council at Ottawa. Although built and maintained with public funds, this splendid

organization and its facilities were, before the war, mainly devoted to furthering the interests of private industry. This National Research Council has never shown the slightest tendency to publish outright consumer research data, despite the fact that if its files were made available to consumers, the resulting savings would add millions of dollars each year to the real national income. Eventually we must see a National Consumer-Research Council. Meanwhile Alberta can lead the way in this down-to-earth reform movement. No doubt every Government today possesses rich files of research data which, if released in the form of standards, grades and actual ratings by brand names, would eliminate enough waste each year to pay our entire cost of Government and more.

3. Issue, free to all families of the Province, a weekly or monthly bulletin of consumer information, publishing consumer research reports on commercial and other goods and services listed by brand names. The resulting purge of the markets would mean vast economies, elimination of wanton industrial and commercial wastes and an immense improvement in the general efficiency of the productive system as a whole. On the other hand, wise and informed consumers, coached in the technique of intelligent utilization of worthy goods, would enjoy life in an economy of abundance, well within our Canadian productive capacity.

4. The school and college programme should be revised to emphasize "consumer education" and intensify the promotion of high ideals of integrity and democratic Christian citizenship in all schools. To do this, is in no way to lessen efforts to train our youth for useful and creative life. While adults require all possible consumer advice for everyday successful living, proposals for consumer education in the schools are basic to the ultimate consummation of a complete consumer economy. Dr. John M. Cassels, a Rhodes Scholar, a noted Economist and graduate of the University of Alberta, stated: "There are three ways in which consumer education may be expected to increase the general efficiency with which our economic system works. They are: First, through the better management of individual affairs; Second, through an improvement in the functioning of free private enterprise; and, Third, through the more intelligent application of conscious social control."

It is of interest to note that substantial progress has already been made toward introducing principles of consumer education in the schools, especially in the United States of America. The one great obstacle to rapid expansion of the programme is the lack of a public consumer research agency able to supply a continuous stream of essential factual data.

5. Subdivision Branches of the Department of Consumer Affairs should be charged with complete abolition of hunger and bad housing, based on the following important facts:

- (a) For proper nutrition and health, the people should be consuming more and better foods;

That as an effective means for mobilizing public opinion, the fullest publicity be given to all trade malpractices and questionable methods used in the purchase, sale and distribution of food and other commodities, a course which would act as a deterrent to such abuses.

- (b) For good health and good citizenship thousands of our families need better homes;
- (c) Food and housing head the list of consumer priorities for a satisfactory and useful life;
- (d) Any approach to 100% fulfilment and maintenance of consumer needs in foods and housing would require enormous physical productive efforts and, as a result, would stimulate all other branches of human activity to a high degree, resulting in employment for all.

6. Alberta citizens must be assured of their joint right to produce and the privilege to consume. Direct relief is everywhere discredited and repudiated. During the period of reconstruction, food and housing and many other primary human needs must have immutable priority in the consumer scale. No reconstruction plan is sound if it fails to place food and housing first.

Can we afford to feed, clothe and house every man, woman and child on a "Health Standard?" One might as well ask: "Can economic man afford to drink freely from the clear mountain spring at his doorstep?" The crowning monument to the stupidity of our pre-war economy was the great 1929-39 depression when we forced millions of persons to endure years of physical and mental torture, by denying them the right to drink from that stream. We kept them bound and gagged while the clear water ran on to be wasted away.. Looking back on this barbaric decade, "it has been conservatively estimated that one hundred million man-years of labour (in U.S.A. alone) were wasted through unemployment, and the National Resources Planning Committee calculates that, as a result, two hundred billion dollars worth of potential goods and services were lost—the equivalent of a \$6,000 home for every family in the country, or enough to build the railroad system of the nation five times over."

It is a mere truism, to affirm that too many natural resources, too many years and too many human lives, have been cruelly wasted and destroyed by the ruthless forces of our contemporary regime of economic illiteracy. Only the vital balance-wheel of "Consumer-truth" can now restore our madly whirling economic machine to sane, regulated, constructive motion.

In conclusion, one other observation must be made. To fertilize the ground for growth of our consumer economy, we must nurture and heal our spiritual health as a people. Are we and our Province and Nation just one big happy family, full of goodwill toward each other and the nations and races of the world—or are we still mainly rugged individualists, scheming for self-aggrandisement, wealth and power. The answer to this question bears basically upon our entire problem of social progress. We should now choose between the deliberate teaching in our schools of sound Christian attitudes and ambitions, or continuing to encourage the growth of vulgarity, greed, hate and disunity by our foolish unconcern toward current and pre-war commercialism. The choice made here by post-war planners, whether by deliberate intent or omission, may well make or break the final success of their efforts. Let us see that Alberta Democracy becomes increasingly Christian and exclusive consumer-based.

THE SUBCOMMITTEE RECOMMENDS

18. That Food and Housing be recognized as the Number One and Two Consumer priorities and, as such, they be the first concern of Governments.
19. That a Provincial Department of Consumer Affairs be set up under a Minister to take immediate steps toward relieving hunger, amongst low income groups; to encourage and assist Consumers to unite with Producers in co-operative activities for better distribution of foods and building supplies; to promote and protect wherever possible our consumer interests and the interests of the human race.
20. That a Provincial Consumer Research Council be organized and information disseminated for the protection and education of Consumers. Although the present set-up may be satisfactory for research pertaining to resources and other matters, consumer research is dwarfed, therefore, we recommend that a Research Council be set up for the purpose of scientifically carrying on research in consumer matters.
21. That a Consumer periodical be published and placed in the hands of Alberta consumers regularly.
22. That consumer education be featured in the school and college curricula.
23. That under the new Department of Consumer Affairs an Alberta Food Board be established and charged with responsibility for scientific determination of all technical aspects of an "Alberta Food Plan" in keeping with the Report of the United Nations Conference on Food and Agriculture.
24. That we develop a Consumer policy for Alberta designed to supply all our people with the essential means of life and to counteract economic depressions with their accompanying evils of unemployment, hunger, etc.
25. That as an effective means for mobilizing public opinion, the fullest publicity be given to all trade malpractices and questionable methods used in the purchase, sale and distribution of food and other commodities, a course which would act as a deterrent to such abuses.

III. HOME AND FAMILY LIFE:

- A. Raising the standard of efficiency in homes (rural and urban) toward establishing home-making as a profession:

Since the family is the structural cell of the social organism, it may be considered a primary duty of statesmanship to foster the creation of the maximum number of happy families. One family under one roof is the ideal condition of home, where there should be every possible opportunity for comfort, health and security as the right of responsible citizens.

The social economic changes we are witnessing today present a ringing challenge to accept individual responsibility in adjusting ourselves to changing conditions. First there is a deep anxiety lest the morale, life and health of our people may become irreparably impaired:

- (a) because of disruption of normal life during these war years, and
- (b) because of lack of adequate health education in nutrition.

There is anxiety that there is not sufficiently widespread knowledge of food values in the homes of our people to ensure and sustain the morale under severe circumstances.

Many avoid marriage and establishment of homes through fear that they will not be able to maintain a family in the standard of comfort which they deem necessary for their life. The chief cause for this important fact is economic fear, that is, insecurity through inadequate incomes. Thus, the economic situation everywhere saps family life.

Inadequate incomes for farmers have forced many to move to cities, and, as long as agricultural workers cannot gain assurance of a continuing existence on the farm, this trek will increase. There they threaten jobs, wages and working conditions of industrial workers in the cities. Through competitive necessities, the consequent increase in rents and overcrowding and the enforced proximity, in many instances to undesirable neighbours, new problems will be created and smaller families be raised.

Then too, owing to economic necessity, girls go to work at an early age when their developing bodies should be shielded from physical and mental strain. Many are kept standing long hours at a time. Despite the fact that regulations provide that chairs be provided in stores and other places of employment, in many instances girls are prevented from using them during working hours. During rush seasons, many girls are overworked to the state of exhaustion. In few cases can they permit themselves that periodical easement which is essential to the continued health of most women. Many girls thus enter marriage with organic troubles that develop their full import in later years. Family life is impaired to this extent.

Girls pass from school to employment with very little knowledge of housekeeping and home-making—the greatest profession of all. If they marry, and eighty per cent of them do, they assume charge of an establishment in which all the varied functions are performed by one woman and that woman untrained to assume these many duties. If the burden of maternity is added at the same time, the strain is immense and the home and family life greatly affected.

It is thus our civilization prepares its women in the all-important function of motherhood and home-making. The home is not equipped to train these young people, since the strength of the parents is needed in the struggle to make a living. Economic security is an urgent necessity for betterment of homes and family life.

Society rests on its homes. What then will be the outcome if the numbers of unmarried increase and if homes remain childless? If families are homeless and if girls are not interested in, nor trained for home-making? These are problems that must be faced bravely.

We must begin afresh, possessed with the experiences of the past and also the will to make a new world and a better one for every man, woman and child to live in. To achieve this great end, Chris-

tianity must once again have its place in our homes and in our schools so that all citizens without exception will have the opportunity of living a sane, clean and civilized life, partaking of at least all the necessary comforts provided by modern sciences. The common welfare is the well-being of individuals and our economic system must be adjusted to promote that well-being of individuals in order that the principles of Christianity may have sway.

No individuals have greater responsibility or opportunity than the rural home-makers, who accept Democracy as the ideal way of life. Time was when the rural homes raised the majority of the Nation's children, but the 1941 census reveals that of Canada's 3,508,740 children under 17 years of age, 1,172,220 are from 475,640 farm families; and 2,336,520 from 1,229,280 city and town families. In Alberta, however, the 1941 census returns show that farm and rural children between the ages 0-19 years are more than double the number of urban children. The actual figures are: Rural children, 206,681; urban children, 100,129. The definition "rural", for census purposes, includes some non-farm families in smaller communities. The economic status of the farm is readily reflected in standards of home and community, as well as a cause of the trek of families from the farm to towns and cities. Poor agricultural returns mean few conveniences in the home and less machinery on the farm. This leads to a fall-off of purchases in manufactured goods, poor schools, few—if any—churches, etc.; and as a result a low standard of national life. The need for better rural homes is apparent everywhere. Rural electrification, with all the appliances and labour-saving devices, can take much of the drudgery out of rural home life and is a necessity long overdue. Various States in the United States of America have plans that are used in their rural electrification administrations for providing domestic appliances. Our Government should investigate these and adopt the most suitable for a plan to secure for farm use a plentiful supply of domestic appliances at equitable prices within range of purchasing.

In the past the rural home has contributed greatly to the enrichment of the Democracies. If safeguarded and appreciated, they will once again act as a fountain-head, sending to town and city alike, a stream of life giving men and women and sending food and clothing materials to aid in their perpetuation. Let us plan for better rural homes, attractive and modernly equipped.

Housewives need periods of leisure, if their strength is not to be worn out too soon. Thus, the problem of rest and recreation for housewives in general and country housewives, in particular, is a very pressing one and public opinion and Parliaments need to recognize this fact. In Sweden, a few years ago, a sum of money was voted out of public funds for a test arrangement of one week's holiday for rural housewives at a People's Adult School. It has proved a great success and the sum has been increased since. The holiday is arranged chiefly with rest and recreation in view, but with a lecture and discussions every day. Alberta Farm Women's week is a step in this direction, but more assistance and facilities for more women are required for this to become really effective for our farm women.

Recreation and service huts and libraries used by the Armed Forces today should be made available for municipalities after the war for recreational and library centres. Rural areas could be

greatly benefitted by the libraries from these Service Centres when the Forces no longer use them. Rural people are in great need of recreational centres and library facilities and in order to make farm life more attractive to young people, attention must be given to providing these facilities for them.

The influence of immigration upon our home and family life has to be considered when Federal Post-War Immigration is contemplated. The policies of the past which encouraged thousands of people from other lands to migrate to Canada without adequate preparation for their assimilation, and add to the burden of those who were still struggling to maintain an existence under pioneer conditions, and must not be repeated in post-war Canada. Neither must we permit the placement of settlers on land unsuitable for agricultural development. A problem for maintaining a proper standard of living for Canada's present population should be established before allowing an influx of immigrants who have no assets or visible means of support. As the Province has to assume responsibility of providing education, health and social services for settlers within its borders, it should have a voice in determining the immigration policies affecting it.

Many families, both urban and rural, in our Province, owing to many factors, are in need of partially skilled aid in times of sickness. There is not the need of fully qualified nursing service but a direct need for someone with a general knowledge of sickroom nursing and a knowledge of care of children and household management. Mother aids, as these persons may be termed, may be middle aged women with considerable experience in home-making, or training may be given young women for this valuable service.

With the large numbers of married women, old and young, employed outside of the home during war time and with the founding of creches, there is bound to be a prodigious post-war problem. The re-adjustment of women into the home to preserve the family, that all important unit of the nation, will not be easy. Women have proven their skill in new industrial fields and are capable, thorough and adaptable. Women in Armed Forces, in industry, commerce, in community and in home are co-operating splendidly with men to win the war. This spirit must continue into peacetime activities. In the post-war world men and women must take equal share of responsibilities. There must be equal pay for equal work and no discrimination between sexes as in the past.

A serious situation with far-reaching effects has arisen out of the diversion of young women from domestic work to employment in war industries and other positions occupied in peace-time by men. A post-war problem, Dominion-wide in scope, will arise when efforts are made to induce them to become interested in the care of home and of children and to become skilled in the art of home-making, cooking, purchasing, etc. Formal recognition by the Senior Governments of the importance of home-making and service in the home, and directed effort on their part to impress upon the Nation the importance of such service in the life and economy of the country will be an essential.

Home-making must be recognized as the greatest of all vocations by public opinion, backed by Federal and Provincial Governments providing educational facilities in order that every girl may receive

instructional aid in all the phases of home-making. By these means, home-making will become more efficient and will be raised to a higher plane and also the status of skilled workers in the home will be raised, providing a basis from which minimum wage standards may develop.

In England, young women are given training under government grants, in the art of home-making. Upon completion of this course which is a recognized standard course of training, the graduates receive diplomas. A registry for those who hold those qualifications, termed a Bureau of Home Service, is organized and their qualifications are well known by employers. The registered Home Service Worker is called to fill requests at certain specified rates for hourly, daily, weekly or monthly service. A special uniform is worn by these graduates, designating their profession and standing so that all may recognize them as being qualified registered Home Service Workers. This may be undertaken in Alberta with good results for employers and employees. A suggested name for these graduates is "The Elizabethan Order of Home Service Workers". The Home Economics course in schools should be broadened and begin earlier in the school life of the child.

There is little doubt that home life in Alberta, as well as in all Canada, has been affected by the war. Many of the changes brought about by the war, will continue, in modified forms perhaps, in the post-war world.

One of the biggest changes is likely to develop as a result of the large numbers of women employed in war industries. This tends to effect home life in two ways:

- (1) It reduces the number of women available for home service; and
- (2) It increases restlessness among housewives who prefer office or factory work to housework.

The end of the war and close of war industries will cause a number of former Home Service workers to be freed and available for employment in homes. But as long as that job is so poorly paid and while there is lack of privacy for the worker, and the sense of social inferiority imposed by the employer and lack of opportunity for advancement prevails, the job will not be attractive to many.

If Home Service workers become unionized for the purpose of raising and standardizing wages, the number who will go into that employment will increase, but few women will be able to afford to employ them under the present economy.

Many houses in the future tend to be small and compact and the new materials and simplified designs tend to make cleaning and maintenance easier. So the day of the Living-in-Home-Service-Worker seems to have gone and the way opened for professionals who will make service in the home a skilled job. Those who do this type of work should be as professional as the radio repair man or the beauty parlour operator. They should know the difference between waxed and oiled or shellacked furniture, and how to treat them, and how to treat the different wall surfaces as well as good window-washing technique, etc.

A commercial cleaning service group of operators could contract to clean the housewife's house every week, whether she was at home, out shopping or at work. The workers would be bonded and might consist of a team of three or four workers. They could, if desired, bring their own equipment, and do the regular weekly cleaning. At house-cleaning time, they could add a man to do the lifting and heavy work. A good team could do two or three houses a day maybe.

Such a commercial cleaning agency is at work now in New York City doing house-cleaning business in the small-apartment-style-way. It specializes in four-room apartments and pays workers by the job, gives them social security advantages, workmen's compensation, unemployment insurance, week's vacation with pay and bonuses for keeping customers.

The same idea could well spread to suburban homes if enough subscribed so that workers could go from house to house, and if clients were willing to accept standardized jobs without frills. Such a service, costing slightly more than unskilled women's service, would save the cost of owning and maintaining vacuum cleaners and tools.

"Having one's house cleaned professionally might get to be no more of a luxury than sending one's clothes to the laundry."

It will not be easy for families that have always had servants, to accept the more professional, less personal and very likely unionized help that would be available by this professional service. But it is one course that could follow where no citizens want to be menials, and where women are increasingly determined to live a part of their lives outside the home at work in factories, offices, etc.

Women, employers of Home Service Workers must be examples of what capable home-makers are and co-operate in making useful women out of the young graduates.

THE SUBCOMMITTEE RECOMMENDS:

26. That full provision be made now to ensure that all families may have the guarantee of adequate economic security with freedom.
27. That while orderly progressive immigration is desirable, this must be based upon an expanding economy, and a dominion-provincial conference should be held before any large-scale immigration is permitted in order that the Province may be given a voice in determining immigration policies affecting it.
28. That mother-aid training be provided so that trained personnel may be available to mothers of young children, or in homes where there is sickness not requiring professional care.
29. That in order to prevent drift from country to towns and cities, the possibilities for establishing industries in country districts be investigated and plans developed that will make country life attractive to more people.
30. That recreation and service huts now used by the Armed Forces be made available to municipalities for recreation and library purposes and also that libraries now in military camps be used as the nucleus for rural libraries in the post-war period.

31. That the art of home-making be recognized as the greatest of all vocations by federal and provincial governments, and that educational facilities be offered and the status of skilled home service workers be raised.
32. That home-making be recognized as an occupation in the census under some designation of appropriate dignity.
33. That a Bureau of Home Service be established, similar to that in England to assist in standardizing wages, etc.
34. That home economics courses in schools be broadened and begin early in the school life of the child.

B. CHILDREN—THEIR NEED OF PREPARATION FOR CITIZENSHIP:

Protection of youth from evil influences must start in the home and involves effective health services and medical care, opportunities for education, wholesome companionship, religious instruction and safeguards against abuses of child labour, etc. In order to provide the proper environment for children, the home must be stable and the members of its family must be economically secure. Such conditions cannot prevail amidst the squalor of poverty. Therefore, if the child, in whom lies the hope of tomorrow, is to be prepared to take a proper place as a citizen of a democracy, it is essential that the family income be sufficient to ensure an adequate standard of living, and that social services and, where necessary, financial assistance be supplied.

Education in the essentials of child care and training and home-making which will help to raise the level of family life is needed by families in all economic levels. Economic security which will make it possible for families to have the highest possible standard of living is the first and most important step in preserving home life.

Every child needs good health and should be given the opportunity to grow into robust manhood or womanhood, physically and mentally prepared to meet the problems of a new era. In order to safeguard the health of children, preventive and curative medical care should be made available to all members of families in all sections of the country, outlying rural areas, as well as urban.

Equality of opportunity for education for all children is the cornerstone of Democracy. Post-war education will be faced with many problems brought about by wartime shortages of teachers and inadequacy of funds required to maintain recognized standards of buildings and equipment. But there will be a more general understanding of the need for making available to all children, the opportunities which will give them a chance to grow into well-balanced useful citizens.

Physical handicaps should not deprive children of training to develop latent talents and abilities. Special school facilities are essential for adequate training of children who are blind, hard of hearing, have defective vision or who are crippled or unable to attend regular classes because of chronic illness. Mentally deficient children should receive suitable training to the limit of their capacities. Alberta provides special services for these children who are mentally

handicapped, but these services are greatly curtailed through lack of buildings and staff. Much is being done in Alberta for the physically handicapped under The Poliomyelitis Sufferers Act, but Medical and Surgical care and specialized education for deaf and blind children, and children crippled in other ways than from poliomyelitis, should be developed further.

Many problems of child welfare are being intensified because of inadequate and insanitary housing conditions and during wartime, the absence of the fathers in the Armed Forces and many mothers of young children employed in war industries. Absence of the parental guidance and lack of protection of young people from dangerous influences in the communities, adolescent unrest, and young people leaving school before they are physically and mentally equipped for work, have created problems of juvenile delinquency.

If the prevention of delinquency is to be effected, there must be an assured livelihood for the family, normal surroundings, psychiatric and social services available for helping parents in child guidance, and there must be agencies to help to deal with problems of child care as they arise. It also means co-operative teamwork between parents and school authorities and family and church. Symptoms of threatening delinquency may make themselves manifest in the behaviour of the child at an early age, in the home or in the school. Suitable guidance personnel in the schools would be an important factor in preventing juvenile delinquency.

The home, the school, and the church have responsibilities in helping children in character building. Much delinquency could be prevented if constructive social influences were provided for children where homes lack many essentials for proper care and protection. Adequate playgrounds properly supervised, good companionship and associations in districts where they reside would contribute to the upbuilding of character. Enriching community life, in general, offers real promise of reduction of the problem of delinquency, so more work along this line should be undertaken.

Although child welfare problems in rural and urban areas may differ in extent, they do not differ greatly in character. The same type and quality of service is needed in both. The only test of a child's eligibility to receive social services should be the fact that he NEEDS them, that is, that his natural parents or guardians cannot remove the disadvantages and limitations or that he has no parents or guardians to provide those needs.

In Alberta, the revised "Act Respecting the Welfare of Children" came into force the first of May, 1944. The Probation Officers Selection Committee now approves of all appointments and has dealt with 16 applications for the appointment of Probation Officers and Inspectors in Municipalities and all of these were approved.

The Home Investigating Committee inspects and approves all homes where wards are placed. Since May 1st the Committee has dealt with 260 applications for the adoption of children and of these 233 applications were approved, while 27 were declined. A total of 483 homes in which wards were placed were inspected and the conditions found therein were generally satisfactory. The children in the few homes which were not up to the usual standard were im-

mediately removed and placed elsewhere. The inspections show that over ninety-eight percent of those placed for adoption are being given affection, and the fact that a great many are willing to adopt children shows that the Province at present does not require an institution.

Individual services to children are in most cases preferable to group services in institutions, because each child needs something different from what is needed by another, in the way of guidance and character building. Hence, foster homes rather than institutions are used more in Alberta, since they more closely approach the natural family life of the child and are more conducive to home life where the all-important sense of security and belonging to someone is best established and where contentment and happiness may be fostered by loving others and being loved as one of the family.

Child guidance services and treatment by competent psychiatrists, psychologists and social workers are much needed services. Some steps have been taken along this line, but this source should be attainable for all health, educational and social welfare agencies. There is a great need for persons trained in this field and until more are trained in child guidance work, extension services in mental hygiene will no doubt be somewhat curtailed. These trained officials could be of great help in discovering and dealing with social problems of children at an early age. Then the specially trained Nurse in the Health Units or the School Nurse in the City could carry the help to the parents in the home.

Juvenile delinquency during the last six months shows a decrease of 25%. The official reports on juvenile delinquency are misleading to the public, as the majority of cases are charges of breaking municipal by-laws. Action should be taken to classify juvenile delinquency with regard to municipal by-laws.

In the past, Social Service work for the juvenile delinquents has been centred on the child, and the institutions built up have been those devoted to the child who is already delinquent, namely, the Court, the Institution and Probation. A change should be made and early recognition, diagnosis and treatment of problems of personality and behaviour dealt with in order to prevent delinquency. The problem should be considered as one requiring formation and fixation of character, rather than reformation. Working on the theory that conscience and character can be developed, the problem becomes one of construction rather than repression.

Under The Alberta Child Welfare Act, the Advisory Director of Child Welfare Recreation and Sports, acting in an advisory capacity with urban centres, is promoting schemes to create recreation and social activities to occupy the spare time of youth as a means of preventing delinquency. This is a step in the right direction and in the post-war period must be enlarged.

When the needs of the children are fully met, they will become adults properly equipped to be the kind of parents desirable in giving their children, in turn, the approved kind of family life which will give them the advantages and training that will best prepare them for life. The community must make all possible efforts to deal with the many angles which will prevent weakening of family ties or breaking up of homes.

THE SUBCOMMITTEE RECOMMENDS:

35. That preventive and curative medical care be made available to all.
36. That the number of Health Units and their staffs be increased as a means to further education of parents in methods to guard the health of their children.
37. That child guidance work be greatly expanded and increased numbers of psychiatrists, psychologists and social workers be employed, and more clinics be held.
38. That men and women gifted as social workers be encouraged to take special training and that facilities for such training be provided in the University of Alberta.
39. That building accommodation and staff for the care and treatment of mentally handicapped and physically defective children be increased.
40. That specialized education for deaf and blind children and those crippled by any cause as well as poliomyelitis be encouraged.
41. That careful consideration be given to prevent over-lapping in the work of public health nurses and social welfare workers, especially in rural districts.
42. That facilities for the education of parents in matters pertaining to child behaviour be provided.
43. That co-operation between parents, school and church authorities on matters pertaining to child guidance be encouraged.
44. That suitable child guidance personnel in the schools and supervised recreation be employed effectively as important preventatives of juvenile delinquency, and the Province classify juvenile delinquency regarding municipal laws.
45. That the establishment of a Domestic Relations Court be seriously considered for Alberta.
46. That consideration be given to the appointment of suitably trained women, as Juvenile Judges and Magistrates.
47. That the moral and social tone of school education be raised by all available means, including:
 - (a) Careful selection and training of prospective teachers,
 - (b) Much higher financial rewards for those teachers displaying genuine ability, exemplary character and permanent interest in teaching our youth how to live.
 - (c) Careful cultivation of the consumer attitude in both teacher and pupil so that education will more nearly fit children for the problems of real life,
 - (d) Definite teaching of Christian principles in the schools and their application to all current problems of individual and state.
48. That all parents be constantly reminded and assisted in their duty to train their own children for socially useful, happy lives in the way that no outside agency can ever hope to do, counteracting the strong, destructive, vulgarizing effects of

modern commercialism (movies, hideous stories on radio, vulgar advertising, etc.), by maintaining home and family life on highest levels of Christian virtue and love.

SOCIAL WELFARE FOR RETURNED MEN AND WOMEN

No material consideration can ever repay the men and women of our fighting forces for the sacrifices they are making to ensure the security and freedom of our people. The loss of life, the physical disabilities and the mental anxiety which they are enduring in defence of the ideals of democracy, cannot be measured in money. It is our privilege, as well as our duty, to see that those who return from this struggle shall return to a functioning democracy which can properly feed, clothe and shelter all our citizens.

Realizing that the war has demonstrated that our forces can be equipped with costly instruments of destruction and at the same time provide them and their dependents with economic security, it can no longer be maintained that economic security cannot be provided them in time of peace.

The task of re-establishing ex-members of the services, men and women, is, in the main, the responsibility of the Federal Government. It rests with that body to provide the Veteran with various types of benefits, including educational and vocational training, in order that he or she may assume as soon as possible, his or her rightful share of the responsibilities in productive pursuits of the nation; also to provide hospitalization, if required, payment of gratuities, adjustment of pensions, etc.

Once this higher body has discharged these immediate duties, much of the further responsibility for the Veteran's welfare rests with the Provincial Government and the Municipal bodies with which he or she is more closely associated. They will, to all intents and purposes, become just other citizens of the Province and Community in which they live. Their welfare is bound up with the general welfare of the Community and of the People as a whole. The sooner they are able, once again, to fit themselves into peacetime practices, the better it will be for all concerned.

Successful re-establishment of men and women from the Armed Services, on their demobilization, will have a great bearing on the future life of the Province. This entails not only preparing the Veteran to return to civilian life, but preparing the community to receive the Veteran into civilian life.

It must be recognized that three or more years have made changed people, of those who left, especially those who left at the ages of 18 or 19, and they are coming back to conditions different from those they left. They have grown up in years and in mentality, and often grown up more than their years would suggest, owing to their experiences and responsibilities. Civilians must be tolerant, sympathetic and understanding of those changes in the men and women. The attitude of the man's parents, his wife, or other folks

in his family group, is very important. His employer, his church and his community have to accept him back into the life that he left which, of course, will also be changed by the time he returns.

Employers must not view these returned persons in the light of their pre-war employment record. They must consider the fact that they have grown up, have acquired new skills and it must be understood that military life has left a mark on those in the Armed Forces and civilians will have to give themselves and them a little time to get acquainted.

When a man or woman enters into any of the services, they are uprooted from their routines of life, from their family and their home and thrown into a strange environment. There they have virtually no freedom of action such as the civilian ordinarily has. In the services, what they will do and when they will do it, is decided for them. Civilian life offers thousands of different kinds of occupations or employment, while the armed forces seem to offer only a few hundred kinds of employment. Thus, the service man or woman has had a new mode of living for several years, has probably travelled much in their training and rubbed shoulders with many kinds of people and had experiences which have had an unsettling influence on them. As a result, they have to have some time to change again from that mode to the civilian way of life.

It is necessary also for civilians to begin now to rebuild the world that the service men and women left behind, so as to conform to their expectations of it. While they were away, they idealized the world which they left behind and what they find on their return may not correspond to their ideals. The men and women in the fighting forces wish to return to a Canada which is much closer to the democratic ideal than it was when they left it. The democracy to which they return must not only assure them of the freedoms of speech and worship, but also a full measure of economic security with freedom. So there must be an educational programme not merely for the returning service personnel, but also for the civilian population, that will enable it to receive these men and women and re-incorporate them into wholesome, functioning democratic community life.

In the Interim Report tabled in the Legislature on March 10, 1944, it was suggested that a Provincial Veterans' Welfare Council be set up with power to assist in and co-ordinate the rehabilitation of discharged personnel in Alberta. On June 30, 1944, an Order in Council was passed authorizing the Veterans' Welfare and Advisory Commission whose primary function was to be of an advisory nature. Legislation regarding pensions and rehabilitation was procured from the Federal Government at Ottawa, from Great Britain, Australia, New Zealand and the United States. The Commission has carefully studied this legislation and noted all the amendments of the federal legislation, such as The Veterans' Land Act, The Pensions Act, The Veterans' Rehabilitation Act, The Dependents' Allowance Act, The Housing Act, The Educational and Vocational Training Measures and The War Veterans' Allowance Act, and is in a position to advise not only the members of the Legislature, but Albertans generally on such matters.

The Commission is watchful of the administration of these legislative measures and endeavours to give full consideration and assistance to Alberta men and women affected by the legislation. Many satisfactory adjustments have been arranged in the cases coming under the benefits of the respective federal measures. Several interviews are held daily with men and women who require direction in their many and varied claims. Cases coming under the scope of federal legislation are directed through proper channels and those requiring assistance coming under provincial legislation are referred to the appropriate ministry.

The Commission is notified when men and women return, and military staffs meet the trains on entrance to Alberta and complete the necessary forms. On arrival in Calgary, troops are met by the Red Cross and Canadian Legion reception committees. Similar "Welcome Home" committees have been set up at various points across the Province. An arrangement has been made with the train crews going north into the Peace River country, whereby they notify the radio station at Grande Prairie of personnel aboard the trains. This news is then broadcast and parents notified of the veterans' return. Efforts are being made to have this work extended. Through the co-operation of American Officials, arrangements were made whereby a building was obtained and set up near the C.P.R. station at Edmonton as a "Welcome Home Hut" for returning troops. Trains are met and veterans are welcomed there on behalf of the Government and advised that the services of the Commission are at all times available.

Land is now being purchased in Alberta for returned persons' rehabilitation under The Veterans' Land Act. This land must possess first-class soil and must be in suitable districts. These purchases are of three types—improved farms; land under cultivation without buildings; and virgin soil which is regarded favourably as a result of surveys made and is accessible to markets. The land thus secured by the Dominion Government is reserved for settlement by returned men after demobilization.

The Government of Alberta is prepared to grant to returned service personnel for the purpose of land rehabilitation, agricultural leases on the following terms:

- (a) A half-section of selected Crown lands for each man, for which there would be no rent, nor taxes for the first three years;
- (b) An overall annual rental of one-eighth of the crop, if the yield exceeded five bushels per acre, for the next seven years;
- (c) Implementing the recommendations of this Committee in the 1944 Interim Report, the Provincial Government has offered to finance one-half the cost of clearing and breaking at least 40 acres of land for each veteran on this half-section, providing the Dominion Government will pay the other half. The Dominion Government has been urged to do this.
- (d) Free title to the land would then be given to the Veteran for the half-section at the end of 10 years.

Federal co-operation has been sought by the Provincial Government to the end that a Veteran taking land under the "Agricultural Lease" offer should be afforded financial aid commensurate with the one taking out a farm on The Veterans' Land Act plan. Some progress has been made in this regard, but it has not been completely arranged.

It is quite possible that the Veterans settling on the land will find themselves subjected to high pressure salesmanship. The Provincial Government should be prepared to direct Veterans and advise them in matters of purchasing equipment, etc.

Benefits of the Veterans' participation in the Provincial Housing Scheme that has been previously described, depends also on federal participation and co-operation. There is urgent need for a well-balanced housing programme. The matter is of fundamental importance in the development of a satisfactory social environment for the returned man and an adequate number of moderately priced homes at reasonable terms of purchase is a necessity. The psychological effect of paying for a roof over one's head, as a source of satisfaction and comfort, cannot be overestimated in rehabilitation of the returned service personnel. Immediate action is required, as Veterans of the present war are already experiencing great difficulty in obtaining proper shelter for themselves and families.

Many of those returning from active service will not be physically ill or in need of actual hospitalization, but will need some care and treatment in re-adjusting themselves. Suitable homes should be provided for those who are usually termed "Burnt out". In these homes, care and treatment and any needed supervision could be carried out. Other veterans will need a type of convalescent or reconditioning centre where their social conscience and outlook on life can be rebuilt to fit into the mode of living in peace time. Provision should be made for these.

There is another group who will meet with ever-increasing difficulty in procuring permanent employment. These are the partially disabled. Provision has already been made by the Dominion Government by way of Unemployment Insurance to partially cover such periods of unemployment. But this is limited in time and very unsatisfactory, as well as most discouraging, to these Veterans. A Vetcraft Training School and Factory, where these persons could be trained in various crafts and employed in the making of useful articles of wood, metal, plastic, etc., would be most valuable for these persons. The Aircraft Repair Plant in Edmonton with its equipment should be utilized by the Dominion Government in this manner, or adequate alternative facilities provided.

The Guidance officials of the Air Forces have been most valuable in guiding those who enlist into the post for which they are most suited. Similarly, upon returning, there should be trained guidance officials to advise them with regard to what their aptitudes suit them for in peace time. Then training should be provided for their particular talent if they are not already trained and allowances should be granted until they are gainfully employed or at work for themselves.

Liaison officers should be appointed to assist returned men and women in adjusting themselves in employment and to encourage and help employers to understand and be tolerant of the changes ex-

perienced by those in the services and co-operate in their re-adjustment to peace-time activities. At present, the duties of Welfare Officers largely cease, once the man is placed in employment. Since re-adjustment is often difficult, officials should be kept whose duty it would be to follow up these cases after employment has been found and assist both employer and employee when difficulties arise.

War-brides are now arriving in Alberta and many of them go into outlying areas of the Province and into conditions so foreign to what they have been accustomed, that some authority should have the responsibility of "Follow-up Service". The Red Cross is doing a valuable work in keeping in touch with all war-brides, but this is a voluntary service. In the opinion of the subcommittee, this is too important to be left to voluntary help. Some governmental responsibility is required if really effective help is given these war-brides and the assistance for proper re-adjustment made.

Consideration should be given to establishing a number of short courses for these war-brides. Such courses, dealing with home problems, canning, dairying, bee-keeping, gardening, etc., could be conducted at the Vermilion School of Agriculture. At the C.W.A.C. Basic Training Centre, residences, dining-halls, lecture rooms and a large drill hall could be temporarily subdivided into a number of sections and fitted up as nearly as possible like farm homes into which many war-brides are going to go. Instruction in the essential duties required on a farm could be given in a two or three month training course. A nursery could be provided for the children when the mothers are in class.

If it is found that Vermilion is not suitable, Federal-Provincial provision should be made elsewhere for such a training course, for we believe that such courses of instruction would be of inestimable value to many young housewives. Such a school might also develop, in time, to serve a much wider need in home training for rural communities. Since provision has been made for short courses in agriculture for Veterans desiring to go on a farm, the possibility of operating these courses concurrently for man and wife might well be investigated.

THE SUBCOMMITTEE RECOMMENDS:

49. That an economy be established in Canada that will make available for every citizen, the highest standard of living, combined with freedom and limited only by Canada's productive capacity.
50. That there should be sufficient flexibility and scope in all regulations concerning pensions and allowances to permit them to be administered in a just and humane manner.
51. That since it has been shown in the armed services that adequate health services can be made available to all these men and women, comparable services should be assured to all in time of peace.
52. That homes should be provided for "Burnt out" persons, whose circumstances make it advisable that they be under proper supervision and care.

53. That a series of convalescent or reconditioning centres be established where returned men and women can develop projects of social significance while at the same time rebuilding their outlook on life and their social conscience.
 54. That liaison officers be appointed to assist returned men and women during the actual period of adjusting themselves in employment and to encourage co-operation between employers and such employees.
 55. That officers of the present armed services, now engaged in personnel direction, be utilized in vocational direction of returned men and women in civil life.
 56. That consideration be given to assistance for building of homes for returned persons, within urban centres on terms similar to those provided for returned men in rural areas.
 57. That while all matters pertaining to rehabilitation and re-establishment of the returned men and women are the definite responsibility of the Dominion authorities, the co-operation of Provincial and municipal authorities and individual citizens is required.
 58. That the Aircraft Repair Plant in Edmonton with its equipment, or adequate alternative facilities, be utilized by the Dominion Government as a training school and factory for returned men who are partially incapacitated.
 59. That the C.W.A.C. Basic Training Centre at Vermilion, Alberta, or some other suitable place be utilized as a centre for a training course in farm duties for war-brides who are going onto farms.
 60. That financial aid be allowed the Veteran taking land under the Provincial Agricultural Lease offer, such aid to be commensurate with that given to the one operating under The Veterans' Land Act.
 61. That joint governmental responsibility along the lines of supervision, advice and training in short courses is required for effective help to war-brides in adjusting themselves to life in rural Canada.
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4. HEALTH NEEDS AND SERVICES:

In the review of existing health services, the Committee reports that the Department of Public Health has many divisions of services.

First is the **Vital Statistics Division**. Because of unusual demands under war conditions, the staff has been expanded and should be adequate in post-war work. Present staff 28. It is important that parents register the births of their children and get Birth Certificates for them.

The Communicable Diseases Division is one of the most active phases of the Department of Health Work. Four separate groups are working on four different phases of communicable disease control—General Communicable Diseases, Venereal Diseases, Tuberculosis and the Special Survey on Sylvatic Plague and Rocky Mountain Spotted Fever and Tularemia.

The Communicable Diseases Division is maintained by a half-time medical man and a stenographer. As a result, the work is confined mainly to the keeping of records and the occasional investigation. More investigations are advisable, and there is considerable opportunity for epidemiological work of a research nature. This additional work would call for a full-time medical man and additional clerical assistance.

The Province provides, free of charge, those sera, vaccines, etc., which are used in the prevention of diseases.

The Poliomyelitis Sufferers Act should be administered by the Communicable Diseases Division. Under this Act, treatment which may be needed after the acute stage is passed, is provided, free of charge, at the University Hospital in Edmonton, and the Junior Red Cross Hospital in Calgary, by the Provincial Government, and there is provision also for special training and rehabilitation of those with residual paralysis.

The Venereal Disease Control Division. This Branch is under the direction of a medical doctor who also operates the Edmonton Clinic. Three doctors on a part time basis operate clinics at Calgary, Lethbridge and Medicine Hat. The clinics at Calgary and Edmonton have one nurse and one orderly at each place. The central office at Edmonton is operated by an epidemiologist and two clerks. To this, have recently been added a clerk and three public health nurses for follow-up work. This additional staff was required on account of war conditions and should be adequate for post-war needs. Free arsenicals and bismuth are provided by this Division for the treatment of syphilis cases by the family doctor.

If drugs were also provided for treatment of gonorrhea, it could be used as a means of obtaining better reporting of this disease.

Under the **Tuberculosis Division** in Alberta, free treatment is provided by the Provincial Government for all cases of pulmonary tuberculosis and free clinics are provided at most of the larger centres in the Province, where patients are examined at the request of the family doctor. Old cases and contacts are also followed up at these clinics. Sanatorium beds are maintained at Keith, near Calgary, and in three Edmonton hospitals. In addition, by law, beds must be available in any approved hospital for the care of tuberculosis patients, if needed. A recent report suggests that a 50-bed addition will be permitted at the Central Alberta Sanatorium.

The Christmas Seal Programme maintains a visiting nurse for tuberculosis at Edmonton and Calgary. In 1943 this association purchased a Mobile X-Ray machine for use throughout the Province. Another one is ordered which is to carry its own power plant, thus eventually making the service available in areas that do not have electric power. The Provincial Government maintains the staff operating this equipment.

The following staff in connection with tuberculosis treatment is maintained by the Provincial Government:

- Medical Doctors, 8;
- Consultants, 2;
- Part time Doctors, 3;
- Nurses, 25;
- Orderlies, 11.

These do not include the nurses and orderlies used in the three Edmonton hospitals.

There has been a slight increase in tuberculosis, due to war conditions, and there has been a considerable increase in the finding of new cases since the armed services have been X-raying the chests of all those entering the services. This has meant a congestion in Sanatoria but will eventually be good in that most of these cases are being discovered early. Recovery should be good and they will not become a source of infection to others, as they might otherwise have done and they will not become a source of expense to the country as war pensioners.

A 300-bed Sanatorium is to be constructed at Edmonton. In 1944 legislation was passed permitting the treatment of non-tuberculosis lung conditions in the Sanatorium by arrangement with the municipality where the patient resides.

Plague Survey work has been in progress for several years through the southern parts of the Province in an attempt to discover the areas where insects are infected with Rocky Mountain Spotted fever or with Sylvatic plague. Good work has been done in this respect, but many suspected areas remain to be investigated.

The Cancer Control work of the Provincial Government was established in 1940 just as a diagnostic clinic for free consultation by specialists on cases or suspect cases referred by the family doctor. This service was then expanded in 1941 to cover free radium and X-ray treatment for those needing that sort of care and a further expansion was made in 1942 by which surgical treatment was provided free of charge if indicated. At the 1943 session of the Provincial Legislature, a sum of money (about \$17,000) was voted for the hospital care of cancer cases. This money is now being used to hospitalize suspect cases while a diagnosis is being made. The public will not consider the service complete until hospitalization for all curable patients is provided, which would cost \$300,000, or more, annually.

Provincial Laboratory. The Provincial Laboratory is operated by the University of Alberta. It provides a very complete service to the medical profession of the Province and a full service for those tests which are specially related to public health, such as the testing of milk samples and water supplies, special tests for communicable diseases, examinations of samples of tissues for cancer and other laboratory tests too numerous to mention.

This work has expanded owing to war conditions, especially as the result of the rule in some of the armed services that all enlistments be tested with a Wasserman test. Other work for the armed services has also increased so that a larger staff has been needed and the Laboratory is handicapped by lack of space. This lack of space needs serious consideration now, or at least right after the war.

Hospitals. The work of the Department of Public Health in relation to hospitals is carried out under three separate branches of the Department.

Hospital Statistics are obtained from the hospitals annually and reported each year in the report of the Department of Public Health. This work is tied up with the control of hospital grants which involves Provincial expenditure of about half a million dollars per year.

Hospital Inspection. This work is carried out by a part time medical officer and the records are taken care of by a stenographer. Theoretically, the hospitals, both approved and private, are inspected annually but in practice, owing to the other responsibilities of this officer, the hospital inspections have only been done about once in two years.

Hospital inspections should serve a double purpose, the control of the Government expenditure in grants and in an advisory capacity to the local hospitals. If these purposes are to be properly served at least an annual inspection is indicated.

GENERAL HOSPITAL BEDS IN ALBERTA

Year	No. of Beds	Population	Beds per 1,000 Population
1929.....	3,534	646,000	5.5
1930.....	4,043	660,000	6.1
1931.....	4,495	731,605	6.1
1932.....	4,481	740,000	6.1
1933.....	4,565	757,000	6.0
1934.....	4,603	769,000	6.0
1935.....	4,556	770,000	5.9
1936.....	4,639	772,000	6.0
1937.....	4,515	778,000	5.8
1938.....	4,754	783,000	6.1
1939.....	4,985	789,000	6.3
1940.....	5,595	790,000	7.1
1941.....	5,594	796,169	7.0
1942.....	5,646	805,000	7.0

It is generally conceded that 3.5 to 4.0 beds per thousand population is adequate in an average community. The above quoted figures would therefore suggest that Alberta has nearly double the required bed capacity. In municipal hospitals, there is a tendency to admit a number of minor ailments because the daily charge is low. Generally speaking, this tendency is an asset to the community in that the increased cost of hospitalization so created is offset by a reduced cost of medical services and improved medical services, owing to the service being given in town, instead of being given at home at a higher rate.

MUNICIPAL HOSPITALS:

The Municipal Hospital Act was passed by the Alberta Legislature in 1917, amended in 1918 and went into effect in May of that year. The Act was further amended in 1929 and further revised in 1942.

The first hospital district under the scheme was built and officially opened in October, 1919. At present there are 36 of them operating, with six additional districts established and these are at present in different progressive stages.

In order to form a hospital district in an area with a population of from 4,000 to 10,000, twenty-five per cent. of the taxpayers may petition the Minister of Health for the establishment of one, or the municipal councils of the contributing districts may petition the Minister of Health. When the proposed district has been approved by the Department and published in *THE ALBERTA GAZETTE*, a provisional Board is appointed by the contributing councils, with the approval of the Department. They prepare a scheme or plan to suit the particular situation, based on a yearly rate of taxation on assessed values, which provides for sufficient money to build, equip, operate, and repay the debenture issue. The ratepayers vote on the plan and a vote of two-thirds is required to carry it.

Municipal hospitals are supported by a yearly tax on all property situated within the Municipal Hospital District and by payment of a rate of \$1.00 per day for each patient admitted, plus a grant of 45 cents per patient per day from the Provincial Government. The average mill-rate for municipal hospital purposes in 1943 was 2.7 mills and the number of people receiving benefits under the plan was approximately 195,000, or nearly one-quarter of the total population of Alberta.

Each municipal hospital is owned by the district and administered by its own elected Board of three to ten resident ratepayers, depending upon the area of the district. The organization and supervision comes under the direction of the supervisor of Municipal Hospitals, from the Department of Public Health.

The Public Health Nursing Branch maintains a staff of about 40 nurses. These nurses are in two classes:

- (a) There is a Public Health Nurse stationed in each of the following places: Edmonton, Calgary, Medicine Hat, Drumheller and Vegreville. A similar service to this is maintained by a Town Nurse at Blairmore, and the Nursing Mission at Lethbridge.
- (b) The other group consists of about 35 District Nurses in outlying areas, who combine certain public health services with treatment for the community to the extent of their ability.

Maternal Hygiene is at present handled through the Nursing Branch, but it is too important to be handled as a sideline. Expansion in this direction is indicated.

Mental Hygiene is a very big branch of the Department of Health operating the Mental Hospitals at Ponoka, Oliver, Claresholm and Raymond and the Provincial Training School at Red Deer. Although the increase in mental patients is not as great as it was before the war, the numbers are still increasing and the mental hospital facilities are inadequate and the staff is not large enough.

There is a Bureau of Child Guidance which operates from the Provincial Mental Hospital at Ponoka. While it is time for the public to recognize that disease of the brain is as reasonable and respectable a condition as is disease of the lungs, the Child Guidance Clinic occasionally is objected to on the grounds of its association with Ponoka.

The Child Guidance work gives aid to teachers and others in the supervision of children who are subnormal mentally, and children who are subnormal socially. They also assist with cases which are showing early signs of mental illness. The staff consists of a psychiatrist, a psychologist, and a social worker and clinics are held at a number of points throughout the Province. The psychiatrist is obtained for clinic purposes from the Provincial Mental Institutes.

If we hope to get the best results from treatment of our sub-normal children and if the greatest possible preventive work is to be done in the field of mental illness, then this so-called "Child Guidance" work will need to be expanded considerably.

The Eugenics Board controls the working of a special Act which by sterilization of certain individuals attempts to reduce the volume of mental and other defects which are of an hereditary nature.

Industrial Hygiene is a growing field in Alberta. As our natural resources attract more industries, there will be greater need for protection of the worker against disease conditions which are due to occupation. At the present, a small amount of work is done under the Provincial Sanitary Engineer. Further work in First Aid and working conditions is carried on by the Workmen's Compensation Board.

Workmen's Compensation Board. This Board requires the maintenance of adequate First Aid equipment and that an industry with more than 200 employees at one point shall supply the services of a nurse. They also do considerable work and furnish literature and posters relating to safety.

Dental Hygiene. The Province has a dentist covering the Provincial Hospitals.

The larger cities and the Lamont Health Unit provide a school dental service and two other rural health units provide a partial school dental service.

One should think in terms of a dental service covering repair work in the early stages of tooth damage and an educational programme in dental hygiene. This would probably mean a dentist for each rural Health Unit or about 40 where only one exists at present in a rural Health Unit.

Number of Dentists now in practice in Alberta: 168—

Edmonton, 61;
Calgary, 38;
Northern Alberta, 10;
Red Deer District, 20;
Lethbridge District, 26;
Medicine Hat District, 13.

Number of Dentists enlisted or called up, 91.

Division of Sanitation. This division is at present operated under the supervision of an Engineer who has special training in sanitary work. He has a staff consisting of one sanitary inspector, one plumbing inspector and one stenographer.

General sanitary supervision is the responsibility of the local city, town, village or rural municipality, but it is not well done, except in the full time health districts.

Theoretically, the one provincial sanitary inspector covers the balance of the Province, but in actual practice, his work is pretty well confined to the investigation of complaints with very little work of a routine nature. This is not the kind of work that should be left until conditions get so bad that it becomes a nuisance to the public but routine investigation should be made to prevent the nuisance and inspections should be provided for locations where the public never go and for conditions that the public would not recognize.

Considerable expansion of this service is indicated, but most of this expansion probably should be in the inspection branches of the full time health units. As further health units cannot be established until doctors and nurses become available after the war, consideration might be given now to an increase in the number of Provincial Sanitary Inspectors.

Full-Time Health Units. For a long time the City of Edmonton and the City of Calgary have had full time health services and in the past fourteen years nine rural health units have been established. These eleven Health Units cover a population of 335,000 or 42% of the population of the province. These Health Units, both city and country, try to cover the entire field of preventive medicine and health education.

A few years ago the Department of Health established a Public Health Nurse service on a 50-50 basis in the school division at Rocky Mountain House. This summer (1944) service of this nature has been arranged in six additional school divisions. This service should be regarded as the commencement of full time health units.

In Alberta, the first two full time Health Districts were organized in 1930 and put into operation in June, 1931. In order to operate efficiently and maintain the necessary staff a District Health Unit requires a population of from fifteen to twenty thousand and an area of from four to six former municipal districts.

THE STAFF AND THE SERVICES OF RURAL HEALTH UNITS

1. **The District Health Officer**—A Medical Doctor with special post-graduate training in public health;
2. **Nurses**—At least two registered nurses with post-graduate training in public health;
3. **Sanitary Inspectors**—A qualified Sanitary Inspector who has passed the examinations of the Canadian Public Health Association;
4. **A Secretary-Technician**—An individual with some training in Laboratory technique and stenographic experience.

Duties of the Staff:

The Medical Officer who is to have charge of

1. Health Education:

The teaching of health habits so that the young may be informed in the science of living healthfully is one of the chief functions of any health organization. Apathy, ignorance and prejudice all contribute to prevent medical knowledge from being utilized. If a health service is functioning satisfactorily, there will be an attempt to create a new mental attitude towards public health.

The Medical Officer will give health talks to school classes and adult groups and will publish newspaper articles, health bulletins, distribute pre-natal and post-natal letters, and school health journal.

2. Baby Clinics and Pre-school Age Clinics:

At these clinics, the doctor and nurses instruct the mothers in the procedures necessary to keep a well child well. The staff advises regarding the babies' diets. The children are immunized against scarlet fever, smallpox and diphtheria, and whooping cough. They also receive a periodic physical examination in order that early defects may be discovered while they are still amenable to treatment. Defects which are regarded as minor, when allowed to persist through this period of a child's life, frequently result in a lifelong handicap.

3. School Clinics:

All school children, including those in High Schools, are given a careful physical examination in each alternate year by the Medical Health Officer and in the intervening years they are given an inspection including a check on weight, eyes, ears, tonsils, etc., by the Nurse. The Nurse makes a follow up visit to homes in cases of more serious defects to discuss the problem further with parents.

The percentage of defects which have been corrected has increased from year to year. The occurrence of simple goitre, which was very common in the Red Deer district, has been reduced over fifty per cent since the establishment of the Health Unit.

In these school examinations, defective teeth, tonsils, eyes, ears, etc., are discovered before permanent damage has been done.

The children are immunized against diphtheria, scarlet fever, smallpox and whooping cough.

4. The Control of Communicable Diseases:

By the intelligent and persistent isolation of cases of communicable diseases and the isolation of susceptible contacts, the incidence of communicable diseases has been materially reduced in the existing units. The loss of a great deal of school time usually attendant on the poor supervision of communicable diseases had been avoided. In the careful control of such diseases as whooping cough and measles, the Medical Officer has been instrumental in preventing the serious complications which not infrequently follow these diseases. Considerable time is spent in the supervision of schools where communicable diseases develop.

5. Life Extension:

The Medical Officer is available for consultation concerning the diseases of middle life and old age.

6. The Control of Tuberculosis:

Contacts of known cases and individuals suspected of having Tuberculosis receive special attention. The Medical Health Officer consults with the family physician and with other members of the patient's family. The services of the staff of the Provincial Sanatorium are made available periodically and X-Ray examinations of chests are made. This procedure results in the discovery of early cases at a stage when their treatment is simplified and before they have become spreaders of the disease in the community.

Duties of the Nurses:

In general the Nurses' duties correspond closely to the Doctor's duties. The Nurses assist in health educational work, in lectures, demonstrations, mothers' conferences, pre-natal work, child welfare work and health examinations.

The Nurse assists the Doctor in preparing children for immunization and she does the home "follow-up" work in interviewing parents regarding the correction of defects discovered at the school examinations. She supervises the organization of Home Nursing Classes among the girls and also the organization of Junior Health Leagues.

The Sanitary Inspector's Duties Include:

- (a) The inspection of village premises, hotels, restaurants, slaughter houses, dairies, tourist camps and nuisances;
- (b) He advises those entitled to the service regarding installation of water supply and sewage disposal systems.
- (c) He co-operates with the local dairymen and has been able, in every Health District, to bring about a better standard of milk sanitation.

In general, the Sanitary Inspector has control of the sanitation of the district. Several of the towns in existing units have stated that if they received only the sanitary's inspector's services, they would consider that they were getting full value for their contribution to the unit.

The Duties of the Secretary-Technician:

This employee is responsible for the keeping of records and the compilation of statistics.

She also does the laboratory work which consists in the examination of water and milk, throat swabs, urine, blood, etc.

The Cost of District Health Unit:

The cost of this service to the individual is very small when distributed over all the municipalities comprising the Health Unit. The annual cost of the Unit is about \$12,000, half of which is borne by the Provincial Government. The remaining \$6,000 is contributed by the municipalities concerned, pro rata, on a population basis. The tax on a quarter section assessed at \$3,000 is about \$1.25. The mill rate averages one-half ($\frac{1}{2}$) of a mill.

The Administration:

Provision is made for a large measure of local autonomy in the control of matters of policy of the Unit.

The Unit is administered by a local Board composed of one representative from each municipality (Municipal District, Village or Town) contributing to the Unit.

The Board, in general, has control of all matters of policy pertaining to the conduct of the Unit.

The Board meets periodically to appoint members of the staff in consultation with the Provincial Department of Health; to receive reports of the Medical Officer of Health; to review the work of the Unit and to receive and consider representations regarding the conduct of the Unit.

By a full-time Health Unit Service is meant one in which the staff is specializing in the type of work mentioned above, and that it is a full-time job. In the balance of the Province, the Health Officer is usually the local doctor who has no special training in this work and often no interest in it.

Improvements in this field call for clear-cut policies in public health education; the expansion of the work to give full time dental service of a preventive nature in schools; and a full-time nutritionist in each Health Unit to carry the nutrition programme right into the home.

HEALTH EDUCATION:

(i) In health units, in schools, in homes, and in industry, to build a stronger, healthier nation.

While every employee of the Department of Public Health does some health education through his ordinary duties, this work is not integrated and the Department has only one person whose duty is primarily health education—the health lecturer. An employee of the Vital Statistics Branch who can talk in several languages also does some lecturing in foreign communities. A considerable amount of the lecturer's time is engaged in work on sex hygiene and venereal diseases.

A supply of health literature is maintained for distribution to interested parties, although war conditions have reduced the availability of this material.

The Department also maintains a small library of moving picture films, and a number of moving picture films on health subjects are available through the Extension Department of the University and a few are owned by the Calgary Child Welfare Association.

The school curriculum on health is very satisfactory, but in actual practice its usefulness varies enormously, depending on the interest of the various teachers.

With the rising interest in this field and with the great need and opportunity in the educational field, it is important that the Health Education Branch be expanded for the purpose of giving direction to, and for the integration of, the health educational work throughout the Province.

(ii) Educational services to mothers in pre-natal and post-natal care.

Books and other literature on the subject of maternal and child hygiene are gratuitously distributed by doctors throughout the Province, and especially in rural Health Units. Due to lack of personnel, baby clinics and pre-school age clinics have been curtailed in rural areas. Educational services to mothers in pre-natal and post-natal care should be increased when personnel can be obtained.

Maternity Hospitalization. In 1944 an Act was passed to provide for the free hospitalization of maternity patients. When a patient has been a resident of the Province for twelve consecutive months out of the twenty-four immediately previous to her admission to a hospital as a patient under the Act, the benefit is the twelve-day hospitalization in the public ward of any hospital which has entered into agreement with the Minister of Health.

(iii) Educational guidance for families in meeting individual problems in health, nutrition, care and training of children.

This service is conducted to a limited degree in the rural Health Units and has been found to be so important that it will be more intensive when personnel can be obtained to staff Health Units when they cover the entire province. In one of the Health Units a full-time Nutritionist was employed to follow up with the work done by a Nutrition Camp that was held at Elk Island Park, as an experiment. This Nutritionist went into the homes in the Health Unit to help with nutrition problems, addressed meetings of groups and gave demonstrations and lectures in the schools.

There is a great need for persons trained in child guidance work. These trained officials could be of great service in discovering and dealing with social problems of children. Then the Nurse in the Health Units or the School Nurse in the cities, could carry the advised help to the parents in the home.

PREVENTIVE MEDICINE:

The cities of Edmonton and Calgary are effectively organized for disease prevention services and their Health Departments, staffed by well-qualified, trained public health workers, are capable of conserving health and saving lives.

In rural areas where the population is sparse and where large areas are to be served, it is difficult to organize an effective health service. Rural Health Units have been organized to carry out the practice of preventive medicine in rural areas and they provide for rural districts, a service comparable to that provided by the health organizations in Edmonton and Calgary, in prevention of disease.

The work done in these Health Units has been quite fully stated and when the Province is covered with Health Units and completely staffed with trained personnel, the service of preventive medicine will be very effective. The scheme is not to be confused with the various plans for treatment service, such as the "Municipal Doctor" scheme; the "Health Insurance" scheme; or the Municipal Hospital.

To gain a perspective or even a superficial knowledge of what preventive medicine can accomplish and has accomplished, one must have an enquiring mind and be prepared to make a study of the question. To acquire the "disease prevention" point of view is difficult. Our training and thinking has resulted in our regarding

disease as more or less inevitable. We have come to regard the physician's function as a treatment function only. It is difficult to change the thought habits of many years' standing. Those who have made a study of preventive medicine see in it a solution for many of our health problems of to-day. For, after all, community health is more a question of education and prevention than of treatment, more of a social and economic problem than one of treatment.

As one gains experience, both in physical diseases and mental diseases, he is impressed with the relative futility of successfully treating long-established disease and the relative facility of preventing those diseases. Progress made in the control of Diphtheria, Smallpox, Typhoid Fever and in many other diseases supports this contention.

The "yard stick" of disease prevention should not be "How do our present death rates compare with those of the past?", but "How do our present death rates compare with those which could be attained if all that medical science has discovered were available and utilized?" The progress of medical science since the beginning of the century has been remarkable. Unfortunately, only a small portion of what is known regarding disease is being utilized. Poverty and economic insecurity have prevented the known health services being made available to all needing them. The economic system should be geared to provide the individual and the state with the means of payment for needed health services.

The Health Unit provides local autonomy in control of matters of policy of the unit in large measure, thus those participating in the scheme are in control of policy. Government assistance is confined to providing grants with only a minimum of control or interference.

The service of disease prevention in the Health Units is essentially designed so that children may have the optimum chance of growing up into healthy men and women and the social welfare of the present and future generations improved. If we give our children sound, well-trained minds in healthy bodies, we need have no fear of the future of our country or the future of the race.

The provision of serums, vaccines, etc., used in the prevention of communicable diseases, and the clinic work and provision of free drugs for treatment of venereal disease are valuable services of the Department of Public Health. The clinical work and free treatment provided by the Provincial Government in tuberculosis and cancer cases are progressive steps in the control and prevention of those diseases. It is urgent that Arthritis be added to this list of nationwide diseases worthy of Government recognition and attention. Such recognition would be—First, to promote research work in Arthritis and effective steps being taken to inform the public of the importance of early recognition and treatment of the disease.

Rheumatism has plagued humanity since the beginning of man. It baffled ancient medicine men; it harassed man in Roman days; and down the ages until today, it remains something of a mystery. But the past decade has brought great advances in diagnosis and treatment of rheumatism. (The generally known rheumatism is now specified as Arthritis.) It is becoming now generally accepted that Arthritis is not an incurable disease and that prevention of the afflicted from total and lifelong crippling is a thing of our day.

In a survey in the United States in 1935-36, it was disclosed that 5 per cent of their population suffered from some sort of rheumatic disorder. In Canada, this would be higher, as we are entirely in the rheumatic belt along with the Northern States. It is computed that Arthritis is almost twice as prevalent as heart disease, seven times as cancer and ten times as tuberculosis. Because it is not contagious, nor infectious it is not considered dangerous to the community. It is only dangerous when it hits the home. Persons in every walk of life, of every age, of every nationality, are possible victims. In continuing the policy of preventive medicine, Alberta should take immediate steps to prevent increase of this affliction in her people.

BLOOD BANKS AND PLASMA:

A resolution that was received urged that the Mobile Blood Donor Service, now conducted under the auspices of the Red Cross, be continued and, if need be, expanded to meet the needs of the civil population, especially in rural areas. The resolution stated that these Mobile Units have demonstrated that blood can be collected from people from every part of the Province for the purpose of being processed into Plasma. The value of Plasma in the treatment of shock is well known, but the cost of blood transfusions is so great that they are beyond the reach of many people and stands as a barrier to transfusions being given as often as needed.

The distances between rural people and medical centres, doctors and resident nurses, coupled with the lack of all-weather roads, tends to emphasize the need for shock treatment in accidents and maternity cases being brought nearer to these people. If Plasma in the form used by the Red Cross in the battle areas were made available to doctors and resident nurses, to be given, cost free, as needed, to patients in need of such treatment, it would be a progressive step. If Blood Banks were established in all hospitals on the same basis, the saving of life would be greatly simplified. No greater boon could be provided the people of the Province.

The resolution suggested that the public be asked to provide the blood by donation, as at present for the armed forces and that the Red Cross with its splendid staff of experienced workers be persuaded to continue to operate the units. It was also suggested that the cost of providing and maintaining the units and processing laboratories and maintaining of Blood banks be assumed by the Provincial Government. It was argued that since the general public would be providing the blood and since the Red Cross is maintained by public subscription and Government funds are provided by general taxation that this service should be given all who need it at no further cost to them.

THE SUBCOMMITTEE RECOMMENDS:

62. That more investigations be made and more epidemiological work of a research nature be done in the Communicable Diseases Division.
63. That the present Free Cancer Clinic service be expanded to include, as soon as possible, a provincial hospital to care for cancer patients.

64. That until more Health Units can be established, the number of Provincial Sanitary Inspectors be increased.
65. That free Dental Clinic services be expanded to serve all school pupils.
66. That the services of permanently employed Nutritionists be made available to the Health Units.
67. That a Maternal and Child Hygiene Division be established with a full-time qualified staff.
68. That the Health Education Branch be expanded to give more direction to and integration of the health educational work throughout the Province.
69. That an annual inspection of hospitals be carried out.
70. That to obtain better reporting of cases of gonorrhea, free drugs be supplied to doctors as is done for treatment of syphilis.
71. That increased space be provided for the Provincial Laboratory of Public Health at the University.
72. That a Department of Preventive Medicine be established at the University.
73. That the Department of Health promote research work in arthritis and take steps in informing the public of the importance of early recognition and treatment of the disease.
74. That several Isolation Hospitals be built at strategic points in the Province outside the cities.
75. That an allocation of hospital equipment now in use by hospitals in the armed service be made at the conclusion of the war, to hospitals lacking such equipment.
76. That steps be taken to make adequate supplies of Plasma available for all needing such treatment, free of cost.
77. That full investigation be made as to whether co-operation of the Red Cross Mobile Blood Donors' Clinic could be obtained in providing the above mentioned service for the people.
78. That Universities and Research foundations be urged to continue investigations looking to the production of an effective substitute for blood plasma.

5. RECREATION AND PHYSICAL FITNESS.

Physical fitness and recreation as essential features of social well being, for children and adults, both rural and urban.

Consideration of Physical Fitness must take into account the closely allied fields of physical education and recreation. For some years physical education in Alberta has been recognized as a part of the general educational training in the schools, but has been secondary to the academic training. Although many sports are engaged in, the number of young people directly effected is very small.

The National Physical Fitness Act came into force in July 1943. It provides from the Dominion Government Physical Fitness Fund, a sum of about two cents per person annually or approximately \$17,000 for Alberta.

In Alberta, work is being carried on under this Act through the Department of Education and an equal grant of money is being provided by the Department.

The object of the National Physical Fitness programme is to promote the physical fitness of all the people of Canada through the extension of physical education in schools, universities and other institutions; to train teachers, instructors and leaders; and to organize sports and athletics on a nation-wide scale. Opportunities are to be provided also for education in dramatics, music, art and other cultural activities. Physical Fitness and Health and Nutrition are closely associated, so attention will be given to Nutrition to build healthy bodies.

The Alberta Physical Fitness Association was started in August 1943 and was the first Provincial Association formed in Canada. Meetings have been held to discuss the use of this scheme in the development of a physically fit population in Alberta. Various recommendations made by the Conference of the National Council on Physical Fitness in Ottawa, have been discussed by the Alberta Association and it is agreed that a programme should be integrated so that the entire population of the Province receive benefits under the scheme. The programme outlined for schools in Alberta meets the requirements for the Physical Fitness programme. The Subcommittee recognizes that the programme as outlined by the Department of Education is a good beginning but that its use varies enormously in rural districts. Most rural areas have shortages of equipment and lack facilities for an extensive programme of physical fitness, and unless teachers are particularly interested in carrying out the programme, little time is devoted to it. Most rural areas do not have suitable community halls, public playgrounds, swimming pools or facilities for aquatics, hence a large building programme has to be provided if the Physical Fitness programme reaches its objectives in the rural areas. Even in the cities, where there are more facilities for recreation for old and young, there is a lack of supervision and leadership in leisure-time activities. The post-school programme of physical fitness should be closely allied with the programme in the schools and should be started as soon as possible.

There is a tendency to think of this Physical Fitness programme as "Youth Training," probably because the Youth Training organization and staff which were in operation throughout Alberta, prior to the war, have been taken over and used under Physical Fitness scheme. The Youth Training programme covered people over High School age only. It was organized in 1938 in connection with the Dominion-Provincial Youth Training, and the chief work was establishing a Training Course for leaders. In the Spring of 1944, this provincial programme was integrated with the National Fitness work. As at August 1943, there has been 135 women and 136 men leaders trained in Alberta. Most

of them have since enlisted in the Armed Services. During the year 1943-44, in spite of war conditions, there were in operation in Alberta 65 centres for girls and 26 centres for men, making 91 centres in 43 communities.

The Alberta Physical Fitness Association has approved of the Dominion programme and has emphasized the need of a Training School for Supervisors of playgrounds and recreation. One school of this nature was in operation in Calgary this year, but more are needed.

A brief submitted to the Subcommittee described a plan which fits into the Physical Fitness programme that the Alberta Association has started. The plan proposed using men and women from the Armed Services for supervisors of the leisure time activities for the promotion of health and recreation. Many of these men and women are doing this type of supervising in the services and they would be valuable supervisors under the Physical Fitness programme.

Special attention should be given rural areas in building recreational centres of the type suitable for the furtherance of physical fitness programmes for adults and youths. The recreational centres used by the Armed Services should be made available in these areas when it is possible to do so. In other cases where they are suited for recreational centres and leisure time programmes in their present location, they should remain there.

The Subcommittee recommends:

79. That the Physical Fitness programme be developed and expanded as rapidly as possible for health and leisure time activities.
80. That the grant be substantially increased.
81. That the Alberta Association select supervisors from the many excellent leaders of physical fitness and recreation now serving in the Armed Services, whenever they are available.
82. That the recreational centres now in use by the Armed Services be made available to rural and urban areas when no longer needed by the Services.

6. SOCIAL SECURITY MEASURES

Examination of existing Social Security measures—

1. In addition to rest homes maintained by religious and charitable organizations, the Department of Public Welfare, Single Men's Division, has cared for over 600 men during the past year. The type of individuals cared for at the present time can be classified as follows:
 - i. Old men beyond the age whereby they are able to earn their own living and men over the Old Age Pension Age who are unable to obtain their pension for various reasons;

- ii. Men who through their injury or disease are unable to maintain themselves;
- iii. Men who are temporarily unable to care for themselves because of illness or injury:

Four institutions are maintained to care for these single men. They are the Old Immigration Hall at Edmonton; the Ogden Hostel at Calgary; and two Rest Camps in the country, at Gunn and Evansburg respectively. Applicants for relief are examined by the University Clinic doctors and, should they require medical attention, it is provided.

A doctor periodically visits the Ogden Hostel and attends any other time his services are required. There are medical orderlies employed and cases that do not require full hospital care are provided for there. The institution is visited monthly by many Calgary social organizations, and visitors are always welcome.

The Old Immigration Hall, Edmonton, is used for the care of men who have to attend periodically for medical treatment at the University Clinic. It is also used as a receiving centre for the numerous cases sent in from the outlying districts of the North. Elderly trappers, homesteaders, etc., because of years of hardship, neglect and lack of medical care, who reach the point where they are no longer able to carry on, are sent to the Old Immigration Hall where they are cared for until they regain their health or disposition is made for their permanent care.

Men certified fit by the University Clinic doctors go out to the country institutions at Gunn and Evansburg. Both these institutions are near the railroad and on gravelled highways, in close proximity to the local village or town. The men live in huts and eat at a central dining hall. There is a washroom with hot and cold showers and a recreation hut with radio, books and magazines. The men have complete freedom and are only expected to do the necessary work to keep themselves and their huts clean. They can, if they desire, earn pocket money by doing small chores for the local farmers and villagers. Some make a few dollars by picking seneca root, wild berries, etc.

Garden produce is grown at the Camps, and fresh vegetables are provided for the occupants. Many of the occupants have their own little garden. In addition, at Gunn there are milk cows and chickens, maintained to provide food for the Camp. In addition to providing food and shelter, clothing is also provided and tobacco is issued twice a month at the institutions.

The Public Welfare Branch has been able to obtain employment during the past year for many of the elderly men, but employment available for elderly men is now on the down-grade. Many war industries in the Province are closing down and the elderly men are first to be released.

II. UNEMPLOYMENT RELIEF in principle has disappeared, although the Province is still contributing to a few municipal cases that can be classified as marginal. Indigent relief has

increased considerably in many Improvement Districts. The demand for assistance from unemployables, those who have reached old age and are unpensionable, and deserted mothers with young children are the principal reasons for the increase in indigent relief at the present time. Approximately 780 persons are being assisted. (Nov., 1944).

Medical attention and hospitalization in Improvement Districts and outlying areas is provided and medical equipment and supplies are furnished in several districts where persons are qualified to give practical medical service. It is estimated that services have been given to six thousand persons. By arrangement with the Division of Social Hygiene, three doctors and three nurses in the Peace River District are subsidized. The Department has acted in cases of emergency, such as the Paddle River Flood.

Upon request the Bureau of Public Welfare gives service as follows:

- i. Acting as Trustee for Old Age Pensioners, recipients of Mothers' Allowances and Soldiers' dependants;
- ii. By agreement with the Federal Government, relief to Japanese families.
- iii. By agreement with the Federal Government relief to dependents of alien enemies.
- iv. By agreement with the Federal Government, relief to dependents of conscientious objectors.

III. METIS REHABILITATION

Approximately 500 Metis families with a total of 1700 individuals are availing themselves of the advantages to be secured under the Provincial Government Metis Rehabilitation Scheme. There are seven colonies situated throughout the Province, to be used exclusively for the settlement and rehabilitation of the Metis, on a basis similar in many respects to the Indian Reservations, but at the present time activities are being concentrated on the development of three of the best areas. General living conditions of the settlers have shown steady improvement since settlement on these areas.

Owing to the natural characteristics of this type of settler, considerable patience must be exercised and slow progress tolerated, but with a programme of persistent encouragement, coupled with good judgment, greater advancement may be looked forward to in the future.

IV. MOTHERS' ALLOWANCES

These allowances are made to any woman who is a widow or the wife of a person committed to a Mental Institution and who has in her custody a child or children under the age of sixteen. By the Act "widow" includes any married woman who by Order of a District Court is declared to have been deserted, without reasonable cause, by her husband for a continuous period of five

years or upwards immediately preceding the date of the order. Consideration should be given to decreasing this period of time to three years.

Mothers' Allowances have been gradually increased until to-day the Provincial Government is paying, on an average, 50% per child more than was paid in 1935 and 1936.

Unless the child is in attendance at school and making satisfactory progress, the allowance is cut off at the age of 16. In 1944, an amendment to the Act was made, making the following provision:

"(7a) If a child with respect to whom payments are being made under this Act reaches the age of sixteen subsequent to the date of the opening of school and makes satisfactory progress, the Minister may continue payments to the end of the June term."

Benefits have already been shown from the amendment and further provision should be made extending the period for which such allowances can be continued until the child has completed high school if making satisfactory progress.

In most cases when the allowance for the last child is stopped, the mother is not eligible for the Old Age pension. Usually she has reached middle age, but her inexperience in employment and lack of skill in any definite form of employment, makes it impossible for her to find suitable work. To make complete changes at her time of life is very undesirable, and it is more likely that her children are unable to support her. So it is suggested that all women whose children reach the age of 16 and who find it impossible to enter into employment should be given the minimum allowance of \$1.00 per day.

Many widows, deserted and divorced wives are left at an early age, without means of support or training to earn a livelihood. They should receive some allowance or benefit to assist them in training for employment. The security of single women, especially over the age of 45 who have taken care of aged parents at home and who have never been in employment outside the home, present a problem. Consideration should be given to some measure to benefit these women when left alone and with no means of support.

V. PENSIONS AND AID FOR THE BLIND AND DEAF

Educational facilities are made available by the Government of the Province of Alberta, through the Department of Education, for children who are deaf and dumb or blind. This year, 1944, 22 deaf boys, and one deaf and blind boy, and 28 deaf girls and one deaf and blind girl are being educated at schools for the deaf in Montreal, Saskatoon, and in Vancouver for the deaf and blind children.

Ten blind boys and ten blind girls are in attendance at Brantford, Ontario, and one blind girl is in Montreal. The tuition fees amounting to \$38,426.40 will be paid by the Provincial Government, also transportation cost.

In the years before the war, the majority of the deaf children attended the Manitoba School for the Deaf, in Winnipeg. At the outbreak of war, the Dominion Government took over most of the school buildings for air force work, consequently there were no dormitory facilities for Alberta students.

A yearly grant of \$7,500 is paid by the Provincial Government, through the Department of Education, to the Canadian National Institute for the Blind.

Pensions are payable to blind persons over the age of 40 and who are not in receipt of other pensions in respect of blindness. There are several classifications under which blind persons receive pensions, namely, single blind, blind widows or widowers without dependent children and blind widows or widowers with dependent children.

VI. OLD AGE PENSIONS AND PENSIONS FOR THE BLIND

The Old Age Pension Act was passed by the Dominion Government in 1927 and prescribed certain conditions upon which the Provincial Governments, by enacting legislation, would become entitled to aid in providing the service of pensions for the aged in their respective Provinces. Alberta took advantage of the Act in 1929. In 1937, the Dominion made provision for pensions for the blind and immediately Alberta amended The Old Age Pension Act providing for such pensions to be paid. The Province appoints a Board which is comprised of a chairman and two members. They constitute the Old Age Pension authority for the Province and have power, subject to the regulations and provisions of the Act, in awarding all old age pensions, and pensions to the blind.

Old Age Pensions are paid to British subjects 70 years of age, subject to certain conditions. Owing to the fact that sixty or more years ago, many places did not have, nor did they enforce registration of birth, many aged people do not have, nor can they get, the proof of age that is required. This problem receives serious consideration.

If employment for younger people is to be maintained under the present system, it will follow that many people over sixty or even fifty, will have difficulty in obtaining jobs and many of them will have no financial reserves upon which to rely. Many women are widowed at sixty and are without income and unable to work, so serious consideration to reducing the pension age to 60 years is very important. Hospital, dental, medical and optical care should be provided for pensioners also.

Many aged people have no homes and are unable to care for themselves. The Provincial Government has made a sum of money available to provide reimbursement to the extent of thirty cents per day to municipalities that will provide housing accommodation for old age pensioners. This is a provision that municipalities should be encouraged to accept. By providing a small house for one or two old age pensioners, or a home, to house several, the grant will be worthwhile and the pensioners will be

in the localities where they are acquainted and their friends can visit them, and they will be more contented in such surroundings.

Since the Interim Report was tabled in the Legislative Assembly on March 10, 1944, some of the recommendations concerning Old Age Pensions, have been implemented to some degree. Certain requirements pertaining to residence qualifications of old age pensioners have been relaxed. Former regulations required residence for 5844 days or 16 years out of the 20 years immediately prior to applying for pension. That has been rescinded and if applicant has actually lodged in Canada for 5844 days within the said twenty years or since attaining the age of fifty in case of an applicant for an old age pension or one in respect of blindness, residence qualifications are met. This is a great advantage and is of benefit to many who have been out of Canada over four years in the last twenty years.

A case in point exemplifying this is "a pensioner born April 14, 1869 applies for a pension Dec. 1, 1944. He resided in Canada from Feb. 10, 1907 to June 30, 1919. He was out of Canada from July 1, 1920 to September 1, 1929, a period of nine years. Under the old regulations, no pension could have been granted. But, under the new regulations, applicant would have been fifty years old in 1919. Residence in Canada from 1919 to time he left in 1920 is one year. Residence in Canada from return in 1929 to December 1, 1944 is 15 years. This will give him the 5844 days residence required to qualify for the pension."

Changes have also been made whereby persons who qualify for old age pensions and who are presently living in another Province, do not have to return to this Province to apply for the pension. They can apply in the Province in which they are and the authorities there will send the application to our Board. This lessens the hardship experienced by many who formerly would have had to go to the expense of returning to the Province to apply for the pension because of not having the required 700 days residence in the Province they were in at the time of applying.

On September 1, 1943, the Dominion Government put into effect reduction in the amounts of incomes which would be permitted pensioners, before deductions would be made from the amount of pension. That is the pensioner could have an income of only \$65.00 per year in order to get the full pension of \$300.00.

By agreement with the Dominion Government, and as a result of Orders in Council in the Province in June, 1944, these reductions are restored to \$125. So now the Old Age Pension maximum is \$300 per year and the permissible earnings are \$125. In addition to this, the Alberta Pensioner under the Alberta Supplementary Allowance Act receives an additional \$60 a year. There are 11,305 pensioners in Alberta now and the provincial portion of amounts paid for the month of December 1944 was \$68,343.20, ten percent of which is payable by the municipalities. The Supplementary Allowance for the same period amounted to \$56,145.00.

In the recommendations contained in the Interim Report was one recommending "that present regulations regarding property qualifications and private income be greatly liberalized." The Subcommittee was of the opinion that property ownership of house or farm of the value up to \$2,000 should not be taken into consideration when computing the amount of pension payable.

Provision has been made whereby no claims for recovery of pensions from estates of pensioners will be made where the net value of the estate does not exceed \$2,000. Previously, the amounts of pensions paid were recoverable from estates irrespective of value, with 5% compound interest. This provision benefits the heirs of the estate, but still the pensioner has deductions made in his pension when often his ownership of property under \$2,000 is a liability instead of a source of revenue as regulations determine it to be. Consideration for pensioner, rather than his estate, should be made.

There are several classifications under which blind persons receive pensions, namely, single blind, blind widows or widowers without dependent children and blind widows or widowers with dependent children. By the Provincial Order-in-Council an agreement under The War Measures Act and the extra cost to the Dominion, the permissible income of a single person or widow or widower who is blind and without dependent children, is restored from \$140. to \$200. per year, which with the Alberta Allowance give such a person a total of \$560. per year. The permissible incomes of blind widows or widowers with dependent children are restored from \$340. to \$400. which with the Alberta Allowance gives the pensioner \$780. per year. The permissible income for a married blind pensioner whose spouse is not a pensioner is \$625. per year. This, with the pension and Alberta Allowance gives a total of \$985. per year.

All these increases in the basic rates and changes mentioned in the permissible incomes, together with relaxed residence qualifications have been made by Order in Council by the Dominion Government under The War Measures Act and the extra cost to the Dominion Government is paid out of the war appropriation. The amendments are therefore temporary and unless they are made statutory they will lapse when The War Measures Act becomes inoperative.

The Subcommittee is of the opinion that pensions for the blind should be paid to all those over 21 years of age, and that the degree of blindness for qualification for pension should be modified.

The method of payment of all pensions to the aged and blind persons could be simplified through the use of a cheque book system. A pensioner could be given a book of cheques covering six months or a year's pensions, each month's cheque dated and coming due on the due date as set out on each cheque. Post-masters and banks could be authorized to cash these cheques as they are doing now.

In view of the fact that Old Age pensioners are mostly a Dominion responsibility, the Province of Alberta has gone a long way in bettering the conditions for Old Age pensioners. The

payment of the Supplementary Allowance of \$5. per month to cover 11,000 pensioners is a large and a very definite contribution. The fact that the Provincial Government is always ready to agree to any change in the Dominion regulations for the betterment of our old folks and our blind people, should not be passed without mention.

The Subcommittee recommends:

83. That the pension age should be reduced from 70 to 60.
84. That free hospital, medical, dental and optical care should be provided for these pensioners and a moderate burial allowance should be granted.
85. That suitable housing should be provided for aged persons who have no homes or are unable to care for themselves.
86. That compassionate pensions should be provided where any unusual condition exists as to age, residence, naturalization or employment.
87. That present regulations regarding property qualifications and private income be greatly liberalized.
88. That the method of payment of Old Age Pensions be greatly simplified to reduce administration costs.
89. That the foregoing five recommendations should apply to blind persons over the age of 21 years.
90. That the degree of blindness for qualification for blind pension should be modified.
91. That municipalities be further encouraged to take advantage of the thirty cents per day assistance from the Provincial Government, to provide housing accommodation in the Municipalities for old age pensioners.
92. That Dominion regulations recently made under the War Measures Act be incorporated immediately in The Old Age Pensions Act.
93. That if pensioner has a dependent spouse 60 years of age or who has no other source of income, some allowance should be paid to the spouse.
94. That all women in receipt of Mothers' Allowances, whose children reach the age of sixteen and who find it impossible to enter into employment, should be given the minimum allowance of \$1.00 per day.
95. That provision should be made for continuing Mothers' Allowances when children have reached sixteen years of age without completing their schooling and who are making satisfactory progress.
96. That widows, deserted and divorced wives who are young and are left without the means of support and no training to earn a livelihood, be granted an allowance to assist in training for employment; and that single women who have taken

care of aged parents in the home until they themselves are too old to get employment requiring training, be given the same assistance in training for employment or an allowance for their security.

(b) Examination of proposed social Security Measures in Alberta, Canada, and other Countries.

1. Beveridge, Marsh and other plans embodying a comprehensive system of compulsory state insurance for unemployment, sickness and old age benefits, combined with family allowances,—

(A). BEVERIDGE REPORT.

For the past two years, Social Welfare—the welfare of society— has been planned for in various countries through a series of reports and measures termed “Social Security”. All of these have received wide publicity and are quite similar.

Sir William Beveridge in his “Plan for Security” defines the term ‘Social Security’ in the following manner in paragraph 300 :

“The term ‘Social Security’ is used here to denote the securing of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through age; to provide against loss of support by the death of another person and to meet exceptional expenditures, such as those connected with birth, death and marriage. Primarily, social security means security of income up to a minimum.”

In other words, he states that it means a lifelong surety of minimum income, that is, purchasing power to enable the people to get their bare requirements.

Since all the reports are similar in many respects, it would appear that the Committees and their Chairmen recognize the fact that there is a shortage of purchasing power in the hands of the people. But, instead of dealing with methods of increasing total purchasing power, they plan to redistribute existing incomes, which to date always have been inadequate to enable the people to buy the natural production at economic prices.

In June 1941 the Inter-Departmental Committee on Social Insurance and Allied Services was appointed for the following purposes :

“To undertake with special reference to the interrelation of the schemes, a survey of the existing national schemes of social insurance and allied services, including workman’s compensation and to make recommendations.” (Paragraph 1 Terms of Reference).

(It is to be noted that the Committee was not asked to suggest anything new, but was to inter-relate existing scheme of social insurance and allied services).

The Report was brought in on December 1, 1942. In the survey of existing national schemes of social insurance and allied services, it is noted that social insurance began in Britain with The Workmen’s Compensation Act of 1906, followed by Old Age

Pensions in 1908. Unemployment Insurance Act and a Health Insurance Scheme were introduced in 1912. Amendments to these have been made at various times since these dates.

In spite of these social insurance schemes with their professed benefits, much poverty still exists in Great Britain, with misery, ill health, crime and social discontent, which poverty breeds. It is noted that during the period in which these social insurance schemes were developed there has been a steady transfer of control and responsibility from local to central governments. Each problem being dealt with separately by disconnected administrative departments, made costly overlapping services in some cases of need and in others no benefits obtainable at all.

The report, although termed by Sir William, in paragraph 31, "A British revolution" is simply a consolidation and centralization of existing schemes of compulsory contributory State Insurance with a few new ones added. "To prevent interruption or destruction of earning power from leading to want, it is necessary to improve the present scheme of social insurance in three directions: by extension of scope to cover persons now excluded; by extension of purposes to cover risks now excluded; and by raising the rates of benefit." (Par. 12) These are merely extensions of what already exists as social insurance, these failed to prevent or abolish poverty under the economic system in use and did nothing to alleviate the world's worst depression. So there is not much hope for an extension of such schemes under the same economic system to give good results.

The Report states in paragraph 8 "Social Insurance, fully developed, may provide income security; it is an attack upon want." Further, in paragraph 10: "It (the plan for social security) is first and foremost a plan of insurance of giving in return for contribution benefits up to subsistence level, as of right and without means test, so that individuals may build freely upon it." The intention here is to provide the minimum of subsistence in unemployment, sickness, old age, etc., and that only after the individual has paid for the benefit he receives by means of a regular contribution over a long period.

It is not a plan for destruction of property. The two key words of the Report are "want" and "subsistence". It proposes to provide bare subsistence to all. People remain in poverty long after they have risen above the bare subsistence level. They will get a minimum diet, minimum bodily covering, a roof over their heads and enough medical attention to keep them alive. They can have all of these and still be in the meanest poverty. The scheme will fail to eliminate poverty.

Under the scheme of Social Insurance which forms the main feature of the plan, every citizen of working age will contribute in his appropriate class according to the Security that he needs. Married women will have contributions made by the husband. A Social Insurance Fund will be built up by weekly contributions from the insured persons, from their employers, if any, and from the State.

The benefits at bare subsistence level are unemployment benefit, industrial injury benefit, retirement pensions, sickness,

and invalidity benefits, maternity benefits, death grants and widows' benefits.

The proposal involves three assumptions, Children's Allowances, Health and Rehabilitation Services, and Maintenance of Employment.

CHILDREN'S ALLOWANCES

The first assumption is that direct provision for the maintenance of dependent children will be made by payment of allowances to those responsible for the care of those children up to 15 or 16 years of age.

HEALTH AND REHABILITATION SERVICES

The second of these assumptions covers a national health service for the prevention and for cure of disease and disability for every citizen by medical treatment, and it covers rehabilitation and fitting for employment by treatment which will be both medical and post-medical.

MAINTENANCE OF EMPLOYMENT

The plan assumes the maintenance of employment at a high level and the prevention of mass unemployment, for otherwise the cost of unemployment benefit may be ruinous. Also the existence for a long period on what is no more than subsistence benefit is demoralizing in prospects and in practice, and attendances at work or training centres cannot be enforced in case of mass unemployment.

Any scheme of social insurance providing benefit payments from a fund contributed to by employed persons can remain solvent only when regular contributions are made. Mass or long continued unemployment will soon exhaust the fund.

The total cost of this Social Security Scheme, to the insured, to the employers and to the government is to be £697,000,000, in 1945, for the broader coverage and increased benefits. Twenty years, hence, the cost would be further increased to £858,000,000. The Government itself is to pay a little over half the cost of the whole social security scheme in 1946. It will pay £351,000,000, out of the £697,000,000, but in ensuing years the contributions of the insured and of the employers will remain fairly stationary, while the Government's share will increase sharply until it pays £519,000,000 out of a total of £858,000,000. The taxpayers, therefore, will begin by paying half the cost, and they will ultimately pay 60 per cent.

The effects of a taxation scheme to build a fund from contributions from insured persons, from employers, and from State funds, are three-fold:

- (1) It means a deduction from the contributor's wages; therefore, a decrease in his purchasing power;
- (2) Industrialists or employers add their contributions to the cost prices of the articles; and in the end, the worker pays this portion also; and

- (3) Public revenue is tax money from the citizens and, again, the contributor or worker pays his portion also.

The plan is based entirely on the principle of forced savings, that is, taxation and compulsory contributions, and is therefore just an enlarged plan of schemes already in effect. We have seen that these measures have failed to help effectively in solving the situation, so an enlarged scheme will have economic consequences, more drastic in effect.

Statements in paragraphs 440-443 of the Report definitely lead to the conclusion that the Plan for Social Security cannot successfully operate whenever there is a considerable amount of unemployment. The Report advocates "use of the powers of the State to whatever extent may be necessary" to make sure that mass unemployment does not develop. Without other fundamental changes, this can only lead to creation of work and the use of compulsion and regimentation to see to it that work is performed. This is the method used in totalitarian states, and there is every reason to believe that it could not be done without destruction of individual freedom. Loss of freedom is too high a price to pay for Social Security, especially such as is proposed in the Beveridge Report—a bare subsistence level.

The Report makes no attempt to base its benefits upon the physical capacity of Britain to provide a high basic living standard, but rather sets a low standard that the people may be able financially to afford. The scheme adds another large sum to the taxpayers' burden and cancels out much of the alleged benefits in higher living costs, and will tend to level down the living standards of those who have a fair standard, and by redistributing incomes, no new purchasing power is released, thus it will not abolish poverty. The scheme patches up a failing system, instead of determining the cause of the failure and remedying that cause.

(B). THE MARSH REPORT

In September, 1941, an Advisory Committee on Reconstruction under the chairmanship of Dr. F. C. James was set up by Order in Council at Ottawa. Dr. L. C. Marsh was appointed Research Adviser. Dr. James made his report on Reconstruction and asked Dr. Marsh to draw up a report on Social Security for Canada. The Report was to set out:

- “(a) The main features of existing statutory provisions for Social Security matters in Canada;
- (b) The methods by which these provisions can be improved and extended, particularly by transformation of the coverage and the technique to a social insurance basis;
- (c) The principles which should be considered if the construction of a comprehensive social security system, suited to Canadian conditions, is to be undertaken in the most fruitful and effective manner.”

Dr. Marsh prepared the Report and presented it to the whole committee on Reconstruction. After full discussion and

embracing the opinions of the Committee on the general subject of Social Security, it was presented to the House of Commons Committee on Social Security on March 16, 1943, by the Minister of Pensions and National Health.

The House of Commons Committee on Social Security had been set up on March 8, 1943, to examine and report to the House of Commons on a national plan of social insurance which would constitute a character of social security for the whole of Canada. Three Reports have come before that committee: (1) The general report on Social Security for Canada, prepared for the Prime Minister's Advisory Committee on Reconstruction by Dr. L. C. Marsh;

- (2) The Report of the Advisory Committee on Health Insurance; and
- (3) The Draft of National Fitness Bill for the promotion of physical education and sports. The House of Commons Committee was re-established February 4, 1944.

The Marsh Report is the Canadian counterpart of the Beveridge Report. In principle it does not differ in any important respect from that prepared by Sir William Beveridge, and due acknowledgment is made of that fact. Dr. Marsh is a former assistant to Sir William Beveridge.

The Marsh Report is in essence an insurance plan—an insurance against the risks and hazards of life as we know them, i.e. unemployment, frailties of old age, sickness and economic results of bereavement. It contains provision for assisting men and women with large families—the cause, Dr. Marsh estimates, of twenty per cent of Canadian poverty.

The Report, however, is not a complete plan for Social Security. It is simply an analysis and a recommendation of how incomes can be redistributed by use of social insurance. It does not deal with other fields of Social Welfare, such as housing, nutrition and education, but it does recommend a national compulsory contributory health insurance system to provide medical care for all the people. The report estimates the cost of minimum standards of living and states what extensions of, and additions to, existing social insurance measures would be needed to maintain individual and family incomes at these levels.

The main suggestions on Social Security for Canada in the Marsh Report are:

1. Establishment of Children's Allowances.
2. Increasing benefits under Unemployment Insurance.
3. Institute Medical care for all citizens.
4. Provide Sickness benefits on a basis comparable to that of unemployment insurance.
5. Provide maternity benefits for employed women.
6. Make no immediate change in workmen's Compensation for industrial accidents.
7. Continue present non-contributory old age pensions on the basis of need and lower eligible age from 70 to 65 for men and 60 for women.

8. Institute a new contributory retirement pension for all persons young enough to make a certain number of pension fund contributions before retirement.
9. Provide permanent disability pensions.
10. Provide Survivors' pensions for widows and orphaned children.
11. Pay funeral benefits.

The Marsh Report Plan is based on the principle of taxation and compulsory contributions and proposes that Canadians be required to pay the sum of One Billion Dollars a year to build the Social Security Fund, from which the subsistence benefits are to be paid when the individual is unemployed or for other reasons has lost his or her income. Here again as in the Beveridge Report, we have 'redistribution of poverty' and, as Dr. Marsh says on page 11: "This (the combination of contributory and taxation methods) is really the logical outcome of planning a better distribution of existing or anticipated income". We have the principle of taking from those above subsistence level to give to those below subsistence level being extended. For generations the wealthier people have been progressively taxed more and more, and benefits doled out to the poorer persons. As taxes mount, fewer and fewer are in the wealthier class, and more and more in the poorer. So an abrupt increase in the policy will not remedy the situation, but will result in a levelling of more people to the lower level.

It is estimated that the total of all individual incomes in Canada in 1939 was \$4,200,000,000. So, if the principle of pooling and equally distributing total were carried out, each of the 12,000,000 people in Canada would have \$350. Thus, if national income were evenly distributed, everybody would be poor and many industries, especially those making luxuries which the lower incomes would not be able to include, would have to go out of business and all development on savings would disappear. Common sense tells us that pooling incomes does not provide everyone with a high standard of living. Yet, the Marsh Report states on page 11: "As experience with social insurance has grown, there has been increasing recognition of the advantages of this pooling of individual risks by collective means along with **state control and participation.**" Can it be possible that our servicemen are giving their lives to protect Canada from "State control" and at home by adopting Social Insurance measures we are permitting "State Control" to materialize?

Dr. Marsh states: "Social Insurance may be defined as the special technique of organizing provision collectively by securing contributions from various groups for a need which cannot be left safely to individuals or families own resources. It is concerned fundamentally with raising and broadening a national minimum. This concept can be applied to wide areas of the population, measured geographically or by income; and the modern tendency is to extend it to cover the whole citizen body." (page 15).

These compulsory contributions from the whole citizen body provides an effective means of regimentation of them. On

page 11, the Report states: "Secondly, they (contributions) have certain distinct administrative advantages, through applications, records and other ways relating the individual directly to the service rendered or benefit received and serving to facilitate the enforcement of conditions attached to benefit." It certainly has great advantages for state control, giving every individual a number, records kept of him and in other ways not mentioned a cog in a big State controlled machine.

On page 12: "Social Insurance administration, of course, brings to the disbursement of payments and services certain appropriate conditions. But the ability to put these conditions into effect on a fair and uniform basis is one of its major advantages. The genius of social insurance is that it enlists the direct support of the classes most likely to benefit, and enlists equally the participation and controlling influence of the State, at the same time as it avoids the evil of pauperization, and the undemocratic influence of excessive State philanthropy."

It appears from this that philanthropy (Love of mankind, goodwill, the disposition to do good, acts of kindness), displayed excessively by the State is an undemocratic influence and an evil to be avoided and can be avoided under Social Insurance administration.

Like the Beveridge Plan, the Marsh Report states that Social Security measures are not the answer to unemployment. "The only basic answer to unemployment is employment." (page 37). So, as in the Beveridge Plan, the Marsh Plan stresses Unemployment Insurance and, at the same time, suggests there must be a program that will ensure work for all. If work is provided for all, there will be no unemployment, therefore, no need for unemployment insurance. It is quite certain that compulsory contributory insurance schemes cannot remove the cause of poverty and unemployment.

The Report proposes that one billion dollars raised by the taxation and contributions would be necessary to put the benefits into fruition and states that it is about 12½% of the then National income of \$8,000,000,000. What if it drops to a pre-war level of \$4,000,000,000? Social Insurance would cost 25% of the total then. This is something to think over.

The Report states on Page 118: "The net result might well be (like the Beveridge Plan) that half the revenue should be anticipated from tax resources." So, suppose that four or five hundred million dollars from Dominion sources were required, it would leave \$500,000,000 or more to be raised by contribution payments by wage earners or employed persons. In pre-war days the Dominion Budget balanced at roughly \$500,000,000, so we realize the extent of the taxation set-up.

After all this is done, there is no new purchasing power in existence, and hence nothing is offered to prevent poverty in the midst of plenty, but a repetition of past experiences.

Even the Marsh Report has something to say in regard to this (page 28); "An attempt to set forth the primary causes of poverty, i.e., of the existence of incomes at or below subsistence

levels, would take the discussion too far afield into the nature of the economic system, or social disorganization, and of international breakdown."

If the study of the causes of the poverty and the remedy takes these planners 'too far afield', what is their purpose in proposing a plan that tinkers with the disease, pretending to the uninformed who have no time to study their plan, and who are led to believe, through propaganda, that their plan will bring redress? It can only mean their objective is to get the people to be quietly herded under State control and regimentation.

Like the Beveridge Plan, the Marsh Plan goes to great length in arriving at, and dealing with minimum subsistence levels. Dr. Marsh uses the 'study of the Cost of a Standard of Living in Toronto' "which should Maintain Health and Self-Respect", conducted by the Welfare Committee of Toronto in 1939. Page 20 states: "The budget is intended to show a minimum which would exclude any unreasonable expenditure, and assumes continuous and efficient management on the part of the housewife. Only the most economical foods are included." From this the report proposes that the Desirable Living Standard is a monthly income of \$17.85 for each child and \$69.29 for man and wife. Dr. Marsh also reports a lower budget called the "Assistance Minimum" which propose a monthly income of \$14.63 per child and for man and wife \$44.46. The Report states (page 21): "The restrictions thus embodied include more crowded housing accomodation and the absence of any allowance for advancement expenditures or savings at all on the grounds that there is least room for safe economy on food."

The Report takes cognizance of the difficulties that may arise concerning the constitutional possibilities of social insurance measures in Section 21, pages 111 and 112.

(C). SOCIAL SECURITY MEASURES IN NEW ZEALAND.

New Zealand has gone further in Social Security measures than most other countries, having passed The Social Security Act in September 1939, which became effective in April 1939. Old Age pensions had been provided in 1898, and Contributory Unemployment Insurance by an Act passed in 1931, and in 1932, the compulsory contribution of the workers was set at One Shilling in the Pound. In Canadian terms, this would equal 5c in every dollar earned as wages by the worker.

Under The Social Security Act, every person of 16 years and over must pay a registration fee of £1 a year, and 5% of all incomes. This makes up approximately two-thirds of the cost of Social Security benefits and the remainder of the cost is borne by general revenue. Employers collect the Social Security charge on wages and salaries. The charges on other incomes and the registrations are paid by the individual directly. Payment is enforced by penalties for late payment by prosecution. No employer may engage a person who has not paid his registration fee to date.

The benefits cover widows, orphans, old age, family, invalids, miners, sickness, unemployment, emergency, maternity, hospital and medical.

The proportion of the National income which is directed to Social Security benefits is 8 to 11 per cent. As in the plans proposed by Sir William Beveridge and Dr. Marsh, there is no new income provided, it is just a redistribution of existing incomes that have been too inadequate to provide for these services for the individuals earning the incomes. A comparison of taxation and Public debt in New Zealand, where Social Insurance schemes have been in operation since 1939, reveals the following picture:

Total taxation in New Zealand		1939	1942
excluding war taxes	£20,177,000	£32,810,000	£46,226,000
Taxation per capita	£13/8/2	£21/17/6	£30/16/3
Public debt of New Zealand (In Millions of Pounds) excluding borrowing for war	£280	£304	£342

The United States, Mexico, Venezuela, Costa Rica, Cuba, Bolivia, Argentina, Ecuador, Spain and many other countries have established Social Insurance Acts and schemes along the lines described in the foregoing.

In considering all these plans closely, we find that fundamental to all of them is the financial requirement that compulsory deductions must be made from the wages and salaries of employees each week, to which contributions from the Treasury are added. When a person becomes ill or unemployed, or due for old age pension, the money to provide a subsistence minimum is then paid out of the accumulated fund.

To the extent that wages are reduced by the compulsory contributions to the central fund, the individual purchasing power is reduced. Then to the extent that purchasing power is reduced people will not be able to buy goods. After allowing for some of the money to be back in the hands of beneficiaries (these amounts are lower than wages), the people will still not be able to buy all the goods in the market. Then producers and manufacturers will be forced to reduce production and this will result in unemployment. The unemployment benefits under Social Insurance schemes must never be as much as wages, so with increased unemployment, there will be further reduction in purchasing power, less buying, more forced reduction of production and further unemployment, and so it will go on until the central fund is gone. These contributory state insurance schemes **will not** prevent mass unemployment, poverty nor insecurity.

Furthermore, they all involve compulsion and regimentation, some central planning body decides by how much everybody's wages and salaries are to be reduced by compulsory deductions. This governing body decides how much shall be paid out of the funds to provide the benefits for individuals and the reports have not hidden their intention that these benefits must be on a minimum subsistence basis.

In order to obtain benefits under the scheme, the individual citizen is forced to conform to a mass of regulations and conditions, which are arbitrarily imposed upon him by some State

bureaucracy. Social Insurance is a system of centralized control of the many by the few, involving regimentation, of the people by a State authority. It is a retreat from Democracy.

The idea of compulsory State insurance was originated in Germany under the iron rule of Bismarck who stated in his autobiography that the purpose of these measures was to throw "a golden chain about the necks of workers." In other words to bind them, body and soul, to their financial overlords. The plan has been carried so far that to-day these overlords hope that the people will believe that it is possible to eliminate mass poverty and insecurity under the present system by setting up a vast bureaucracy of overlords to take from the inadequate incomes of the employed and healthy people and redistribute it to the unemployed sick and aged.

Let us cast our memory back to the depression years before the war. We know the general insecurity, the widespread poverty, the collapse of markets, bankruptcy of agriculture, rising debt and taxation, of those years. Could taking away an extra 12% of everybody's incomes who had employment and redistributing the funds to the unemployed and sick have brought prosperity, progress, security, good markets, good prices, health and full employment? It is fantastic to believe that such could have been, yet we are being asked to believe that such a grotesque scheme will give us prosperity and security after the war.

In the countries, such as New Zealand, England, and United States, where portions of these Social Insurance schemes have more or less been in operation, we will find poverty, want and insecurity. These enemies of mankind can still exist after a minimum subsistence benefit has been given. Existing Social Insurance measures have proven just gilt-edged doles and doubtful social benefits paid for by lower standards of living. Much of the alleged benefits to invalids, old age persons, widows and unemployed, are cancelled out by the increased cost of living which the beneficiaries would have to pay if the scheme were on a large scale.

Enlarged Social Insurance schemes will not remedy the real problem—that of insufficient purchasing power to give the people access to their abundant resources. Compulsory contributory Insurance schemes cannot increase aggregate purchasing power, but can materially reduce it for many. So it is the work of Post-War Reconstruction Committees to find ways of increasing purchasing power and maintaining it at a proper level with production and services and do it without debt to the nation, without interest, and without inflation. Any scheme that increases the national debt, increases taxation and prices, is not worth consideration for security in the post-war era. These are the factors which created insecurity, how can they be expected to cure it?

The proposed social insurance plans will inevitably pull everybody down and to this extent they are the same as the ideologies of every fascist, socialist or national socialist. Someone has said "Socialism is a system of society in which nobody will be

allowed to go barefoot. Everybody will have one boot." These social insurance schemes are like that.

For generations, nations have used a system of economics which to-day, in an age of plenty, is totally inadequate for distributing the increased production made possible by less and less manpower, and more science and machines. It is inadequate because of the lack of purchasing power in the hands of the people in sufficient quantities to buy out of their wages, the goods produced on a mass production scale and by machines replacing manpower.

The system, too, has always imposed progressively increasing taxation on people, thus reducing the purchasing power of those who are employed. Everyone is talking of a changed order in the post-war era, so the basic change will have to be made. Instead of taking money from the people, the opposite must be done. The central governing body should make available sufficient purchasing power to enable the people to buy the goods and services produced.

Then the standard of living would be raised for all people to the highest level, made possible by their ability to produce goods and services and use machines to the fullest extent. This is the duty and responsibility that each one owes to the State; to see that the highest possible standard of living exists for all. By thus creating an ever increasing demand for goods, society would be progressively raised to higher standards of living, and, as science and invention replace manpower, more and more increasing leisure would provide opportunities for the development of nobler culture. By the State scientifically balancing the production with purchasing power and placing it in the hands of the people over and above their wages, the rights of the people would be met. Social security would become a reality and Democracy a fact.

The study of all the Social Security Schemes already in existence in various countries, as well as those proposed by Sir William Beveridge and Dr. Marsh, reveal a remarkable similarity. The similarity is so striking that one is led to believe that they have been inspired by a common agency and a draft plan submitted therefrom to governing bodies of the respective nations.

All of the Social Security schemes involve:

1. Compulsion and regimentation.
2. A central governing body.
3. Compulsory contributions to a central fund.
4. Insecurity for the many.
5. Redistribution of existing incomes.
6. Failure to increase aggregate purchasing power.
7. Failure to overcome the ill-effects of unemployment.
8. Conforming to a mass of regulations arbitrarily imposed by some State Bureaucracy.
9. Retreat from Democracy, toward the servile state.

The Subcommittee on Social Welfare recognizes that such measures will not provide an increase of the aggregate purchasing power which is needed for social security for our people and recommends:

97. That sufficient purchasing power be made available through changes of the monetary system in lieu of compulsory contributory Social Insurance Schemes in order to give the people the highest possible standard of living, the best health services, the greatest educational advantages, etc., made possible by their united efforts.

(A). FAMILY ALLOWANCES.

The Marsh Report presented to the House of Commons Committee on Social Security on March 14, 1943, recommended, among other things, Children's Allowances. On page 87 of the Report, Dr. Marsh states: "If wages and incomes were everywhere sufficient to provide properly for the children of all our families, there would of course be no case for Children's Allowances at all." A man's wages are not usually adjusted to the size of the family. On page 27, the Report states: "Wages are primarily a payment for services or for productivity, their relation to family needs, if it exists at all, is indirect." On page 87 it is stated: "Children's Allowances are a clear part of the policy of a national minimum of the direct attack on poverty where it is bound up with the strain imposed by a large family on small income."

The Report sums it up by stating that unless we are to wait for children's social security until the general level of Canadian incomes should have risen so far that even lowest incomes would be high enough to take care of all the children's needs, these needs must be met as a special claim on the nation, not merely in periods of unemployment or on occasions of distress, but at all times. That is the basic case made in the Report for Children's Allowances.

After examining various types of Children's Allowances, the Report recommends a system by which every family would get a standard monthly allowance for each child under sixteen, and that the whole cost be met from federal revenue. On page 88, the Report states: "The virtue of a standard endowment or benefit in cash is that it becomes part of the normal family income which it is left to the parents to spend."

In Canada, the principle that children cost money to maintain, has long been recognized in allowing income tax exemption or deduction to those with dependent children. The principle of family allowances is in force in the forms of Mothers' Allowances, Workmen's Compensation, Relief payments and Dependents' Allowances for the Armed Services. In 1929 the question of Family Allowances was considered by a Parliamentary Committee and the Quebec Social Insurance Commission considered the subject in 1932. Both of these committees decided that no immediate action should be taken.

Schemes of Family Allowances already in force in various parts of the world are financed in three ways. In most early

private systems in Europe, employers collectively bore the burden of payments for the children of their staffs. In Italy the beneficiaries contribute as well as the employer and the State and in New Zealand, where every child is included, the total cost is financed out of general revenue.

Various private and industrial family allowance schemes were in force in Germany, Italy and Spain for some time, but the totalitarian governments of these countries made the system universal because of their concern over the falling birth rate.

Sweden, Norway and other European countries investigated and rejected the policy on the ground of cost. They decided the wiser course was to give aid to the needy families in services and in kind. The United States National Planning Board in 1942, reported against the policy, believing that wages and prices should be high enough to merit the basic needs.

On July 17, 1944, the Family Allowance Bill was introduced in the Session at Ottawa and received Royal Assent on August 14, 1944, and the allowances are scheduled to become effective July 1, 1945. They are to be paid in respect of every child under sixteen years of age having certain resident qualifications and there is a standard proposed scale of allowances. It is estimated that the cost will amount to approximately \$250,000,000 per year and is to be raised by taxation. This will be an increase for this one service alone of 50 per cent over the peace time budget of 1939, which was \$500,000,000. It will not be new purchasing power. All of it is to be withdrawn by way of taxation from money already in the hands of consumers and then redistributed amongst the general consuming public. Much of the money paid as taxes to raise this fund will be paid directly by the people who are only a little better off than these who receive the allowances. What is not paid directly will be paid indirectly, largely by these people also and by the recipients of the allowances, on the well-established principle of the system in use that corporations pass their taxes on to the consumer. So one result of Family Allowances will be that a still larger number of wage earners will be reduced to, or near to, the subsistence level, that is, poverty will be spread out and distributed a little more broadly. Poverty will not be abolished, yet we are united in the belief that the abolition of poverty is the aim for our Post-War World.

Purchasing power must be increased so that people may buy the goods that people are able to produce, but this cannot be done by Family Allowances and Social Security measures based on taxation. If people must be forced to pay increasing taxes for Family Allowances, Health Insurance, Old Age Pensions, Unemployment Insurance, and so on, the time will come when so much of their income is taken away by the Government that the little that is left will not supply their needs. Also with this increase in taxation the people have less and less freedom in using their income. The pattern of peoples' lives will be more and more completely decided by governments and this tends toward dictatorship and totalitarianism. Real freedom and Democracy will have disappeared. Taxation has been tried too long and has failed to give people security. All the countries using the very measures being proposed and passed here in

Canada, have not solved poverty. Instead they are piling up huge interest-bearing debt, upon which in due course, the interest will equal all the income of the taxpayer. The situation then will be that of complete Dictatorship with those who control money and credit completely in the driver's seat.

The survival of democracy in a world of upheaval depends upon the children of to-day who will become the citizens of to-morrow. They need the influence of Christian teachings and places in which to play, together with facilities for promoting good health and good educational advantages.

Families that lack the economic resources or the knowledge of how to give their children a good home and all the needed facilities for health and education should have proper assistance.

It has become quite clear that the present taxation system used to supply schooling, health, recreation and other needs of the child, and to give the help required by families in straitened circumstances is neither sufficient to meet the requirements, nor distributed in proportion to the need. These matters are so important that they should not be restricted by the unavoidable limitations of taxation.

If the post-war conditions are to be better and different than pre-war years, if people are to be able to have the necessities of life, and health and education facilities, a right-about-face position must be taken. Instead of redistributing the too low national income, it must be ascertained whether that income is enough to keep consumption and production going at capacity. If not, then new purchasing power must be placed in circulation without taxation or increasing public debt. If this new purchasing power were then distributed in the form of family allowances, economic security with freedom would be assured. Those who build their hopes on the assumption that measures based on taxation will lead us out of poverty and give economic security with freedom, are doomed to disappointment. It will be nothing short of catastrophe if the public is led to believe that such schemes as Family Allowances and similar Social Security schemes based on taxation will provide the solution for the deep-seated evils in the existing economic system, even though they may be suggested by humanitarian considerations.

The Subcommittee recommends:

98. That Family Allowances be made to provide new purchasing power to all families without increasing taxation or the public debt and progressively increase with production and as the need for man power is displaced by machinery and improved processes.
99. That because of the problems involved in this Act a thorough education campaign be conducted explaining its full implication.
- ii. Dominion Health Insurance.

The health of every individual should be looked upon as a national resource in peace or war. In times of peace, the healthy

individual is able to make the greatest contribution to production and to the Arts and Science. The health of the nation is a primary consideration in the welfare of the people.

It is easier and sounder to examine the implications of any far-reaching plan before it is enacted by legislative measures than it is to agree to its being passed and then wish later that something better had been done.

We are now in a war defending our democratic institutions against aggressors who have the totalitarian attitude which is to regulate and rule. Within Canada, we must be on guard against the infiltration of regimentation into our private lives. It is most necessary to scrutinize plans of "Reform" with fearlessness and resistance to the growth of dictatorial oppression in whatever form it appears, while at the same time, remembering that every citizen owes a duty to the State for the protection he receives from his fellowmen acting as the State.

The tentative proposals in the Dominion Draft Bill respecting Health Insurance involve wage taxation, increased prices, government bureaucracy, compulsion and regimentation, thereby impairing the economic security of the individual and adding to his worries, to the further detriment of his health.

Compulsory contributory Health Insurance schemes of various kinds and affecting different income groups, have been in operation in European countries since 1883, when the first national scheme was started in Germany under Bismarck, the father of Prussian Militarism, modern Naziism and the doctrine of the Supreme State. Austria adopted a Health Plan in 1888, Hungary in 1891, Norway in 1909, and Great Britain in 1911, the latest becoming operative in 1912.

The Health Insurance Plan in England does not include benefits for all citizens, but the cost of administration and the red-tape have mounted steadily. The panel doctor receives a small sum per patient each month, so he has to enlist as large a number of patients as possible, hence there has to be hurried examination and treatment.

Much time is spent by panel doctor in keeping records, making reports, complying with red-tape connected with investigations and issuing disability certificates.

The mortality rate in England in 1938, was one of the highest in the civilized world. Compulsory Health Insurance has failed to prevent disease incidence and to lower mortality in England, just as it has in Germany and every other country where it has been tried.

A move is on to extend compulsory health services to all, in England and the British Medical Association rejected the plan at their conference held in December. It is reported that one doctor said it would enslave a noble profession and mean direction "to the end of our lives".

In Canada, we will do well to heed the warning shown by records of other countries where compulsory contributory Health Insurance plans have been tried.

In Alberta, the Health Unit plan and Municipal Hospitals constitute a form of health "Assurance". They are providing in a democratic way the beginning of preventive medicine, which upon enlargement will prove more satisfactory than the plan proposed under the Draft Bill for Health Insurance. The people are not burdened down with a mass of regulations, the embarrassment of giving information to numerous inspectors, nor of being subjected to all kinds of restrictions and annoyances in getting medical care and information, and they do not become mere regimental numbers from the viewpoint of the Government.

These centres can be developed and expanded to keep people well and to promote preventive medicine and education along health lines. They include practical demonstrations in the fields of nutrition and maternal and child care as the very foundation of the health of the family. The fact that people feel and know it is their health centre, increases their efforts toward better healthful surroundings and a happier life.

The only things that have retarded this work and prevented its expansion to include curative services to a greater extent, are finances and finding the personnel to carry on the work. In the post-war period the financing of health services must not be a barrier. The number of physicians will be almost sufficient but more dentists must be trained as well as nurses and nutritionists. Special training for child and family guidance work is also needed. Provision should also be made for inclusion of the services of Chiropractors, Osteopaths, Chiropodists and others who are chosen by people to-day and receive benefits from their services.

The proposed Draft Bill on Health Insurance does not make provision for the inclusion of the services of Chiropractors and others mentioned above. In a Democracy, the people by their choices state the health authorities by whom they want to be treated. They take the consequences, if by their choice anything goes wrong. So their freedom and their right to choose must be provided for in any health scheme. Any health scheme that arbitrarily appoints the health authorities that people are forced to accept without right of choice is totalitarian and, if it is allowed to pass, we will have allowed by legislation the same dictatorial, bureaucratic methods we are fighting to keep from coming into our country from outside. All practitioners of medical, drugless therapy, etc., should be included on a perfectly equal footing in any health plan.

As the proposal first stood, a total of \$2,819,000 would be paid Alberta in Health Insurance grants annually on the basis of the 1938 population, or about \$3.60 per capita.

To provide treatment for all tuberculous sufferers, the grant to Alberta would be \$60,155 or one-ninth of the estimated annual expenditure. The Province is to provide full cost of capital expenditures.

To provide treatment for persons suffering from mental illness and for mental defectives, the annual grant to Alberta would

be \$109,634, or one-ninth of the estimated cost, capital expenditure to be paid entirely by the Province and preventive work not provided for in the proposal.

A public health grant to assist the Province in maintaining public health services would be provided at 25c per capita, or \$199,042 yearly.

To conduct a comprehensive venereal disease programme of prevention and control and provide diagnostic and treatment clinics in urban and rural areas, \$13,535 would be granted annually, or 1.7 cents per capita. A sum very nearly this amount has already been provided for extension of provincial services in this work.

To enable the Province to provide special training in Public Health for physicians, engineers, nurses and sanitary inspectors, Alberta's share of grants would be about \$10,000 per year, the grant to depend on need.

To enable the Province to carry out special public health investigations, Alberta's share of grants would be about \$5,000 per year. This grant is to depend also on local need.

If these grants were given to the Province and the Province allowed to set up its own scheme and continue to expand the work already started instead of the Health Insurance Scheme, beneficial results would be obtained with less administration costs and no regimentation of the people.

It is stated that the purpose of National Health Insurance is to give the people better health services. In other words, by means of many regulations, supervised and administered by numerous committees and restricted as to treatment by financial considerations dictated by some distant authority, the doctors, dentists, hospitals and nurses will do better work and the individual patient will obtain better services.

It is said that many people cannot afford to pay for medical hospital and dental care and treatment under present conditions. Before the war, there was a huge reserve of idle factories, undeveloped lands, minerals and water power and an army of unemployed begging for work. Had these resources been used to provide the people with an adequate standard of living, all the evil conditions of poverty, unemployment and economic stress could have been abolished and the individual provided with incomes to obtain the needed medical care and services. Doctors, hospitals, nurses and many others would have been spared large accounts outstanding in their books. The present conditions that cause such to be the case, must be investigated and the CAUSE removed. Patching up the system by means of Health Insurance schemes does not strike at the root cause of the inability of people to get required health services.

Surely mankind is capable of going more deeply into the question and making a system fit man's needs. There can be no doubt that the cause of much ill health is due to the low standard of living of the many and the constant worry over financial

insecurity. There is no doubt that the reason many who need medical attention delay in seeking that care, is purely lack of money.

The Christian and Democratic method is to question the Social System which produces results that make it impossible for the majority to have access to medical services and care, and then demand a system that gives the results needed. If a new civilization is to come out from this war, it must be a civilization based upon the principles of Christianity and Democracy. That is, the basis of the new civilization must be government and management of the people's affairs so as to give them the results they want. The results they want are health services without domination and regimentation of the many by the few.

If compulsory Health Insurance is the method that will provide needed health services for all, it follows that compulsory Fire Insurance, Compulsory Food Insurance, Compulsory Education, Insurance, Compulsory Legal Insurance, etc., would be the methods that would provide all the various respective needs for the people. Following this through, such a system would culminate in the few who constitute the State getting all incomes in the Insurance Funds and being in complete control of giving the services to those they thought needed them, when they thought they were needed, and in the manner they thought they should be given, and by whom they thought they should be given. It would end up in State domination.

The proposed Health Insurance scheme involves the setting up of a government bureaucracy which compels wage earners and others to contribute to a central fund, out of which doctors, hospitals, etc., are paid to treat those contributors who are ill. The contributions levied upon wage earners are nothing more nor less than a wage tax which reduces the economic security of the individual, renders him less able to maintain a healthy standard of living and adds to his worries. This in turn, will have a detrimental effect upon his health.

Government authorities who carry out such a scheme very rapidly become a bureaucracy issuing thousands of regulations and sending out numerous inspectors to whom people are obliged to report. In a very short time patients, doctors, hospitals, etc., find themselves being regimented and subjected to all kinds of restrictions and annoyances. Initiative becomes crushed, freedom is destroyed and efficiency stifled by a suffocating bureaucracy. Such a system will ultimately lead to friction, worry, less security for every one and further deterioration in health.

The democratic way of making proper health services available to the people is to institute a non-contributory system under which the individual, whatever his means may be, is assured of access not only to the best possible curative services, but to the best possible sickness preventive knowledge and facilities which can be available. The patient would be free to choose his own attendant and at the same time doctors, dentists, hospitals and all others providing health services would likewise be free to use their initiative in dispensing the best possible services without the continual interference and domination of numerous governmental officials.

To carry out such a national health programme, it will be necessary for the government which has control of national finance to provide adequate grants to meet the cost. Proper adjustment of the economy of the nation to give the maximum security to everyone will make the financing of health services no great difficulty.

The attainment of the highest possible standard of natural health is a dominant national objective. The main objective of Medical Science is to provide us with the knowledge and facilities for preserving good health and the treatment of illness should be secondary to this. Yet, we place doctors and all others responsible for this important aspect of our nation's life in the position of paying them only to cure us when we are ill. In the national health system in the post-war world, we should progressively introduce the principle of payment for keeping people well. It hardly seems reasonable to expect men to devote their lives to medical science and research for the purpose of keeping people healthy and then pay them only when we are ill. Too little attention generally is given to prevention of disease.

In Alberta, the principle of health education for prevention of disease is being applied by local authorities, who now pay doctors and nurses to carry out preventive measures such as the physical examination of school children, etc. Much is being done to further this principal in the health Units also. It is possible to broaden the application of this principle to the point that every person employed in the field of health may receive bonuses over and above regular incomes and in proportion to the results obtained in improving the health of the nation.

How can more people be given more services for better health is the problem facing us now and in the post-war period. We have doctors, dentists, hospitals, nurses, and others giving services. Besides these there are supplies and equipment to be used in health work. On the other hand, there are people needing these services. The means of payment for them is all that is keeping, or in the past has kept, the two apart. Economic insecurity is the basis for the lack of sufficient health services being given our people. The economic system must be geared to provide the individual and the State with the means of payment for needed health services and allow the individual freedom of choice in those services.

In any health scheme, justice demands that all citizens should be included and administration should be simple. It must take care to raise the standard of care of the large family group, give more pre-natal care to the prospective mothers, and prevent large mortality rate in childbirth. Doctors, nurses, etc., should be trained in their courses to study the family as a unit needing healthful environment, proper nutrition and health guidance. Under a national health plan, people want a just reward for all concerned with educative and preventive measures for health, as well as a just service for all the people and provided without interference from, and domination by government officials continually interfering.

The Legislative Committee studying this question has been dissolved, so the Subcommittee on Social Welfare arrives at the following conclusions:

- (a) The health of the nation is a primary consideration in the welfare of the people.
- (b) The attainment of the highest possible standard of national health is a dominant national objective.
- (c) The greatest contributory factors to ill health are poverty and economic insecurity. Poverty, leading to malnutrition, insanitary slum conditions, drudgery and mental anxiety, is a direct cause of physical degeneration. Economic insecurity among those who live above the poverty level, encourage a false economy. Such people through fear, starve themselves or resort to cheap remedies, rather than attempt to pay for proper health services. Every effort to remove these causes of sickness and disease should be made.
- (d) The best possible sickness preventive measures as well as medical and all other therapeutic services and hospitalization should be available to every person, irrespective of his means.
- (e) The so called Health Insurance scheme involves wage taxation, increased prices, government bureaucracy, compulsion and regimentation, and thereby impairs the economic security of the individual and adds to his worries to the further detriment of his health.

The Subcommittee recommends:

- 100. That poverty be abolished by every citizen being assured a minimum basic income which will be sufficient to provide economic security in unemployment, sickness, disability or old age. The economic system must be geared to provide the individual and the State with the means of payment for health services without increased debt and taxation and with freedom for the individual.
- 101. That the Dominion Government provide adequate grants to the provinces to assist maintenance of hospitals, curative services and all measures of sickness prevention, including research and leaving the provinces free to set up their own scheme.
- 102. That all preventive services be progressively increased as rapidly as knowledge can be made available.
- 103. That the Health Units with Health Clinics and Hospitals in every unit, be developed and expanded to promote preventive medicine and education along health lines, including demonstrations in the field of nutrition, maternal and child care as the foundation of health of the family.
- 104. That a non-contributory system for health services and benefits be provided, since the cost of collecting contributions in Alberta would be prohibitive.
- 105. That the provision of proper health services to all the people of Canada, being largely a financial problem, must be accompanied by financial reform.

ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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Alberta Post-War Reconstruction Committee

Tourism in Alberta

APPENDIX I
TO THE REPORT
OF THE SUBCOMMITTEE
ON INDUSTRY



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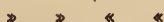


REPORT

of the

Post-War Reconstruction Committee

1945



Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourism In Alberta.
2. Alberta Post-War Survey.



Tourism in Alberta

Report of Subcommittee
on Industry

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APPENDIX I

REPORT OF SUBCOMMITTEE ON INDUSTRY

APPENDIX I

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Post-War Tourist Travel in Relation to Alberta

Bearing in mind that the tourist industry, or tourism as it is known today, involves and brings benefits both material and intangible to the entire community from the producer to the business and professional strata of trade and commerce, the opportunities and problems of the industry are of direct interest to every citizen of Alberta. Here in Alberta we all know what the agricultural industry means to each of us. In many similar communities throughout the world, the tourist industries mean to them what agriculture means to us, and more. In them everyone from boot black to banker, from cabin boy to clergyman, depends directly or indirectly for his livelihood upon the tourist industry. Alberta is more fortunate than they because it already has an agricultural industry well established and thriving and it also has a mighty potential in the development of the tourist industry which, when all its branches of services are considered, can give in the future employment in Alberta to as many, and possibly more than, agriculture employs today. Furthermore, the tourist industry includes within its orbit the employment of agriculture in all its phases because it provides a domestic market for all agricultural products.

It was not until 1939, when hard-surfaced highways were opened from the United States border to Alberta's resort centres, that this province was prepared to invite motorists here with any degree of assurance that they would return to their own communities as satisfied customers. In fact, those who did undertake the hazards of motor travel from distant points to Alberta usually returned to their homes disgruntled and dissatisfied and their reports of road conditions discouraged others from coming by motor to Alberta's holiday resorts. But with the dawn of 1939 and with the opening of the magnificent Banff-Jasper scenic highway, Alberta's opportunity to develop the tourist industry blossomed in reality. The war and necessary restrictions upon the use of gasoline and tires and upon travel in general for pleasure and recreation only, forced the tourist industry like many others, into hibernation.

MONEY AND TIME AVAILABLE

The post-war travel picture stands upon a background of cold economic truth which, if sound planning is to be done, must be clearly understood.

(1) Millions of persons who have been used to visiting distant places during their vacations have been compelled to remain at home.

(2) Through the influence of labor unions, about 7,000,000 Americans more than ever before are now able to obtain holidays with pay.

(3) As a result of war loan drives in Canada alone, between eight and nine billions of dollars worth of credit have been stored up in reservoirs of wealth of one kind or another for release at intervals after the war.

(4) The American public, likewise, has more liquidable credit in storage now than at any time in history.

These four points cover two principal considerations, namely, that millions of persons will want to travel as soon as restrictions are lifted and; that they will have plenty of money with which to travel.

EMBARGO ON FOREIGN TRAVEL

The next important fact is that, after this war, as after the last, the United States—as already indicated in Washington—will place an embargo on pleasure travel overseas because all available shipping space will be required for the repatriation of troops and the shipment of reconstruction materials and supplies abroad. The embargo lasted for eighteen months after the last war and it is believed that it will be for three years after this. For a considerable period, therefore, pleasure travel may be restricted to the American continents.

OTHERS ARE READY

South America, anticipating this fact, has been laying solid foundations for the past two years to attract tourist traffic southward. American resort centres on the west coast already have under way extensive programs of promotion effort to attract visitors from the eastern states and likewise the eastern states are promoting tourist traffic from the west.

Competition for the business is already at a high pitch. In those districts which depend almost solely upon tourist traffic for the stability of their entire economy, only the final stages of organization have now to be completed, a few more clerks, cooks, waiters and bell boys added to their staffs and they will be back to 100 per cent efficiency and fully prepared to beat their competitors to the gun.

Their advertising appropriations are not only made; their advertisements are already prepared, their booklets printed, their resort centres fully equipped and their sport attractions arranged.

The State Progress Commission of the State of Washington is an average example. They have a budget of \$500,000 already at their disposal for advertising and publicity. Their campaign is arranged in two-year stages—not from year to year—and this enables them to prepare, this summer, material for release next spring to attract tourists a year from now. They work always at least one season ahead so that their storehouse of promotional effort is always well stocked with material.

Oregon is working on a budget of \$100,000 per year. British Columbia's budget for the coming season—war or no war—will be

in the neighborhood of \$75,000 because, war or no war, preparations for peace-time conditions in travel are believed to be equally as important as other measures for reconstruction and rehabilitation.

AVIATION'S BIG CHANGES

The post-war era, unlike all others in history, will present an aspect in the tourist industry absolutely unique in the history of the world. Tourist business as we have known it in the past has come to every community by a series of stages of modified metamorphosis or by degrees of gradual development. It took fifty years of improvements in rail travel to bring us to the pre-war status of rail-bourne traffic. During that period, gradual improvement of hotels, resorts and national parks and all the services which they included, were brought to a very high degree of efficiency. Likewise, the development of motor travel was gradual because we had to wait for improved highways and the development of the modern but low-priced automobile. So little improvements in accommodation and services, year by year, sufficed to meet the requirements of the travelling public.

But with air-bourne tourist traffic all this will be different. Within the short span of four years, air traffic facilities have been developed to unbelievable proportions directly because of the war. Twenty thousand air-bourne troops were landed in Normandy in less than six hours. Trans-Atlantic passage by air in from twelve to sixteen hours has become as commonplace—and much safer than the Atlantic crossing by sea in from five to fourteen days!

EQUIPMENT AVAILABLE

Immediately after the war, between eight and ten thousand transport—not fighter—aircraft will be returned to civil aviation and may be transformed from troop to passenger use within a matter of days. So the equipment will be available.

PERSONNEL AVAILABLE

During the war, more than 50,000 Canadian youths have been given advanced training in aviation exclusive of those who have been trained in its mechanics and ground crew operations. More than a quarter of a million Americans have also been so trained. So the personnel will also be available.

AIR RATE REDUCTIONS

Air lines are already meeting surface travel rates on the basis of first class standard fares plus berth, Pan-American Air Lines officials have announced that, immediately after the war they will reduce their per passenger mile rate from eight cents to three and a half cents. Mr. Jack Frye, president of T.W.A. told the U.S. Civil Aeronautical Commission in October that his company was prepared to establish service on a twelve to sixteen hour basis from New York to London for \$276 as compared with the first class steamer rate of \$316. This means that air passenger traffic will move at equal or less than rail and steamship rates. So travellers who can afford to travel by rail or liner will be able to travel by air.

TIME DISTANCE FACTOR REDUCED

But that is not all! Air travel has virtually eliminated the time-distance factor. Persons who have only two weeks of vacation do

not wish, and can not afford, to spend ten days and nights on trains or on ships to obtain only four days in the Canadian mountains or in Mexico. Today, however, every populous centre on the continent as far east as Boston and as far south as Monterey, Mexico, is within twenty-four hours of Calgary or Edmonton by air. Today the New Yorker can board a plane at noon on Saturday, be in Alberta by Sunday afternoon and have before him a solid fortnight of vacation time.

This combination of circumstances provides Alberta with a golden opportunity in which to develop tourist business but the opportunity is not exclusively Alberta's and it may be lost for many years to come unless plans and preparations are made now not only to capture this new air traffic but also to promote traffic by motor car, bus and train. It should always be remembered that while it is true that privately owned automobiles have been going off the highways and onto the scrap piles of the United States at the rate of two million a year for the past three years, there are still more than 24,000,000 privately owned cars either in operation on a reduced scale or in storage and ready to roll on pleasure tours the moment that rubber and, particularly, gasoline restrictions are lifted.

These conditions and circumstances not only indicate what the tourist business may mean to Alberta as a virtually new and as yet unexploited source of new wealth and employment. They also indicate the seriousness of many deficiencies which must be overcome and numerous problems which must be solved.

CAREERS IN TOURISM

Alberta's first deficiency is lack of trained personnel. In no category of our whole educational system have we ever endeavored or do we now endeavor to train young men and women for positions ranging from hotel or resort managers and hostesses to cooks and chambermaids. The hostess course at Cornell University, it may be interesting to note, takes four years. Columbia's course for hotel executives varies but the senior branches take from six to seven years. The students who take these courses enter them with a clear vision of what the tourist industry means in the economy of the nation and to their future. They are career people and they choose the travel industry as their field because of the pleasant nature of the work, its permanency and the remuneration it pays.

In Canada we have been bred to believe that summer resorts are seasonal, that waiting on tables or smashing baggage is a job for high school students during the summer holidays. In districts where tourism is to the people what agriculture is to the Albertan, waiting on tables is but a part of the apprenticeship leading to a degree as a hostess and smashing baggage is but a stepping stone to a future position of executive authority. So Alberta lacks trained personnel but the way is clearing for action in this respect.

COURSES AVAILABLE

For four years, under the auspices of the Canadian Hotelmen's Association, a course in training for tourism has been undergoing development and it is now ready for operation. We have made the necessary contacts and have the assurance of the Association that we can make what use we wish of their research and findings. The

course can easily be established, for instance, in the Institute of Technology and Art and, if it were, we have the assurance of travel executives throughout western Canada and the Pacific North-West States, it would draw students from all of these territories. On the other hand, if we do not want to go so far, we have the assurance of the operating executives of both the Canadian National and Canadian Pacific railways that they will endeavor to induce their hotel departments to lend, at no expense to the government, expert travel and resort executives to conduct lectures, particularly for the benefit of returning active service personnel who may desire to study tourism with a view to becoming permanently established in it. However, it is a fact that unless we put into action some plan of training, Alberta will continue to lag as a leading tourist resort province because trained personnel are not just born nor even brought up like Topsy; they must be trained.

MORE ACCOMMODATION NEEDED

Without trained personnel, all the best accommodation in the world can not build a successful, stable and satisfactory tourist industry, but accommodation is Alberta's next great deficiency. On the whole, what we have is good, especially in the resort centres themselves. The standard of living quarters provided and services rendered by the big railway chain resort hotels and lodges together with some of our bungalow camps catering to the motorist are equal to and, in some respects, much better than those encountered in many of the most famous United States resort centres. But we do not have sufficient accommodation. To meet post-war travel demands it is estimated conservatively that the accommodation in Jasper should be increased tenfold and that in Banff it should be quadrupled. Even under present war-time conditions, the demand for accommodation in Banff far exceeds the available space for middle-bracket traffic. This places the big resort hotels there out of the picture because they cater to the upper-bracket travel and the middle-bracket is the type that makes expansion necessary. Most of those 7,000,000 Americans now on vacations with pay come within this category. The upper-bracket may not show great gains; in fact it may register some declines.

STANDARDIZATION NECESSARY

The accommodation which we lack must be absolutely modern but need not be ultra-modern and it must be moderately priced. Furthermore, the motoring public, and in fact the entire travelling public is becoming educated—through bitter experiences—to demand standardized services and accommodation for standardized rates and the only way in which they may have assurance of such just treatment is to institute government licensing and inspection—the licensing to be on a nominal fee basis but enacted to enable the government to deny licenses to operators who do not comply with standard requirements; the inspections to ensure that they do and finally, to effect continued improvements in premises and services. Licensing by municipalities, as tried in British Columbia, has been proven unsatisfactory because it has standardized nothing. The requirements in one locality do not measure up to those in another and, besides, local politics often enter into the matter.

PUBLIC SUPPORT

Our third deficiency in Alberta is a regrettable lack of public opinion to support government effort in building a thriving tourist industry. The farmer heartily approves the appropriation of considerable sums for the advancement of education, health measures and agriculture because he appreciates that, eventually, these services result in increased income or benefits of other kinds, but the farmer on the central prairies who never sees a tourist heartily believes that public funds spent in the development of tourism goes directly into the pockets of the people of resort localities and does him no good whatsoever. That is a very serious deficiency. "It can be overcome only through education to show the farmer that not only tourists but all those who cater to them bring their stomachs with them. He must be educated to the fact that a side of beef eaten in Alberta without long expensive haul charges to distant places, can yield him a greater direct return than the side of beef exported. He must be taught that the bushel of potatoes eaten in Alberta gives employment in Alberta to persons who peel and cook and serve them; to people who arrange menus, buy the food, wash the table linen and polish the silverware. He must be taught that the Alberta Government cannot collect school taxes from Americans or from Saskatchewan farmers until they come to Alberta on vacations but that, from the moment they enter Alberta by any means, with every bite they eat, with every bed cover they turn down, with every wheel they turn and every purchase they make, they pay taxes of one kind or another and yet enter into no competition with our labor, taking nothing away for resale against us elsewhere but leave millions of dollars worth of foreign exchange behind—this latter a most important factor in Canada's economy in peace as in war. In short, the farmer must be taught that agriculture plays an important part and supplies a valuable service for which the tourist industry pays a handsome price.

ORGANIZATION OF INDUSTRY

The fourth deficiency involves lack of organization in the industry itself. The operators of licensed hotels and restaurants are organized and, recently, the licensed guides and outfitters formed an association of their own but no organization exists for the resort owners or operators—those who operate auto courts or bungalow camps etc. Furthermore, no organization exists to bring all of these and other business and professional organizations together in the common cause of tourist promotion. In contrast to this condition, the Montanans Inc., of Montana, may be cited as an example. In that State the State Government makes no appropriation for tourist travel promotion except the publication of road maps and a very attractive picture folder. All the publicity expense is borne by the Montanans Inc. whose membership comprises merchants and operators of dude ranches, service stations, newspapers, radio stations, auto courts, hotels, restaurants, etc. and others including real estate brokers, professional and other business men. More than \$50,000 per year was raised before the war through Montanans Inc. for publicity and promotion work but the State Government maintained "points of entry" at strategic points where motorists were welcomed by uniformed officials, and where valuable statistical information was gathered. This included answers to a questionnaire asking how

many miles travelled, how much money spent, what accommodation was preferred, what activity attracted the visitor, etc. and, furthermore, every visitor who displayed a little copper tag which he received at the point of entry was given a discount on cash purchases made in stores and other establishments subscribing to the funds of Montanans Inc. The activities of Montanans Inc. required the services of a part-time secretary who was also the secretary of the Helena Chamber of Commerce.

Alberta lacks that kind of organization and it is most desirable because it helps greatly not only in promoting travel but in disciplining those who cater to tourists. It assists with the maintenance of a high standard of accommodation and service and puts the onus of such responsibility upon the industry itself rather than upon the government. However, it has been found that, even though the industry, through such an organization, can do much in the way of developing the industry, the government has a distinct and separate interest in respect to promotion where such promotion is of a general character and is aimed at promoting the interests of all the community. Organization within the industry usually cares only for the interests of those who become members of an organization such as Montanans Inc., while the interests of the government encompass not only such members but those who do not care to join the organization. Furthermore, the government is financially interested not only from the financial aspect of the direct revenue received from gasoline taxes and liquor sales but from taxes received indirectly as a result of the over-all volume of business which travel produces. Alberta needs an organized tourist industry and promotion programs should be worked out between it and the government to provide the maximum results from the minimum of effort and expenditures.

ACTIVITIES NOT ORGANIZED

The fifth deficiency involves Alberta's lack of facilities and organization pertaining to tourist activities. We have many attractions but attractions do not usually become activities in the highest sense until they are organized. Sport activities must be organized. We say that we have swimming, golfing, and tennis facilities, for instance. This is true in a limited sense. We also have bucking horses, but it took the Calgary Stampede—an organized event—to make bucking horses an activity which could attract and entertain tourists and hold them in one spot for a whole week. That kind of organization that can create competitive events in Alberta resorts in field and track events, golf, tennis, swimming, skiing, curling and a number of other sports is badly needed and certainly not beyond the realm of possibility. Alberta might well vision now the staging of the Olympic Games here in 1950 and get busy for it by way of preparation. There is not an event programmed by the Olympic Games Association that could not be accommodated in Alberta.

The ramifications confronting the organization of activities are numerous but they have been surmounted at Sun Valley, Idaho, where full-time sports directors are employed to organize competitive ice and snow sports, golf, field and track events etc. There, a railway pays the bills but it has an exclusive franchise on the rail transportation and all the accommodation. In Alberta this is an activity for the Government to assume. A capable returned veteran could be

employed to undertake the work under the supervision of the Department of Trade and Industry through the Publicity and Travel Bureau. The maintenance of tracks, fields, swimming pools, etc., should be a responsibility of the federal government where they lie within National Parks and should be the responsibility of the municipality otherwise.

So much for the five deficiencies. It has been necessary to mention them in order to understand what we have to overcome; in order to chart our course in the development of a post-war tourist industry. The methods of dealing with each has been but sketchily outlined as each was mentioned but they do give some vague idea of the tremendous tasks involved and the immensity of the problem.

PENNSYLVANIA'S ACHIEVEMENT

In charting Alberta's course in the development of this great industry, our ambitions, although not speedily attainable, should not be too modest. Alberta has long suffered under the lack of a clearly defined long-term federal policy for agriculture. Our purpose with respect to tourism should be to define a long-term policy now and hew to the line with the passing years to see that such a policy is carried out. But before such a policy can be determined, it will be well to investigate what others have been able to achieve in a reasonably short period of time. The example of the State of Pennsylvania is worthy of note.

In 1913, the State of Pennsylvania was virtually depleted of game. Last year the game killed totalled more than 5,000,000 animals and birds and yet today there is more game in the State today than in the days of William Penn. Pennsylvania's recreational business amounts to more than \$415,000,000 per year and is the fourth largest industry in the State. They have 76 game farm projects, sponsored, established and maintained by sportsmen's organizations. These cover more than 146,000 acres and include 114 special wild life projects. The Pennsylvania Game Commission owns more than 750,000 acres of game lands, almost all of it open for public shooting and 75,000 additional acres under contract. It buys, annually, more than \$100,000 worth of game for restocking purposes. Of course, the State of Pennsylvania is unfortunate compared with Alberta because they have only deer, black bear, foxes, rabbits, squirrels, ringneck pheasants, grouse, snipe, quail and Hungarian partridge. Unlike Alberta, they have no moose, sheep, elk, caribou or mountain goat and they have no ducks or geese. And, which is more, they have to raise what they have virtually by hand. Perhaps that makes their accomplishments all the more remarkable but in the comparatively short span of thirty years, they have built travel and hunting business—or, as we term it—tourism, into a \$400,000,000 industry and that is more than Alberta derives today annually from our livestock and poultry, all our grain crops, our coal, oil, lumber, butter and cheese business combined.

The situation in Pennsylvania illustrates an excellent example of what can be achieved in developing hunting and fishing facilities—only one phase of the tourist business—when sportsmen's organizations and the government combine their efforts in the achievement of a common cause. A similar attitude has marked the activities of

Alberta's sportsmen in the past. The time has now arrived, however, for greatly expanded activities along these lines so that, over a period of years, Alberta's hunting and fishing facilities will suffice, not for ourselves alone but for the tens of thousands of visiting sportsmen who may seek relaxation in our fields and forests. It may be added that, in the matter of accommodation for such visitors, Alberta is in a more happy position than in respect to summer vacationists because Alberta's licensed country hotels provide a large volume of accommodation with comfortable beds and well prepared meals of the kind most relished by visiting nimrods.

VETERANS' REHABILITATION

Having thus appraised Alberta's background of opportunities and deficiencies and having considered some of the possibilities for the future, it is necessary next to consider all of these matters in relation to the post-war problem of rehabilitating large numbers of returning active service personnel in the tourist industry.

Realizing that there are numerous suitable tourist resort sites as yet undeveloped, particularly in northern Alberta, the Government's Publicity and Travel Bureau has conducted a survey to ascertain where the best of these sites are located and what should be done to improve or develop them. Adequate training will be necessary for these men and it is anticipated that the efforts already mentioned in this connection will bear highly satisfactory results so location of the sites and the training of the men appear as secondary matters until such time as sufficient numbers are induced to undertake the establishment of these new resorts. Particularly in the North, there exists already the skeleton establishment for a tremendous resort expansion around Hudson Bay forts. These forts, in operation for more than 200 years, have their lines of supply well established and the company's officials at each of them are well acquainted with their own country. Furthermore, it would seem that the development of resorts in these localities would give them a much wider market outlet for the outfitting and supplying of tourist and hunting expeditions.

FINANCING NEW RESORTS

The problem of financing the establishment of small but modernly equipped resorts, rather than lack of sites or training, is the major obstacle to the returning veteran. Therefore, Alberta's representative on the National Tourist Advisory Committee which met in Windsor last September, stressed the need of providing federal aid for veterans who want to settle on resort sites similar to that now provided for veterans who want to settle on agricultural lands under the Veterans' Land Act. It was pointed out that the federal government is making loans to veterans who want to grow grain and raise livestock which are already produced in abundance for a highly competitive market but that apparently no such encouragement was being given to the veteran who may seek to establish resort centres of which there is a very acute scarcity. The matter has been brought to the attention of the federal government but, as yet, no definition of policy in respect to it has been announced from Ottawa and an effort should be made to ensure that a favorable decision is made without further delay.

FOREST FIRE PROBLEM

In undertaking to settle veterans on resort sites, it will be important to obtain the co-operation of the forestry branch of the Department of Lands and Mines because, not only will their knowledge of local conditions be valuable but their forest fire problems will have to be given careful consideration. On the other hand, the settlement of responsible veterans who will depend upon the natural beauties of the forest for their livelihood will provide an added asset and an ever-present force to act as game guardians, and fire wardens. All veterans who so settle should be given training to fit them for these duties and, in some localities, they may even be provided with the most modern equipment for forest fire prevention, detection and suppression. In short, the settlement of veterans on undeveloped resorts in the forested areas will provide an efficient and greatly expanded forest fire prevention and fighting force.

The problems of obtaining and training personnel and locating suitable resort sites having been considered, the next problem is that of constructing the resorts. Bungalows is not a difficult task because they may be of log structure and built by local labor. However, the provision of proper accessories such as lighting and water equipment, stoves, beds, bedding and other furnishings will provide an immediate and most important outlet for consumer goods. In addition to the various furnishings such as tables, chairs, chesterfields, small radios, mirrors, bath and toilet equipment, etc., usually found in the average home, tourist bungalows, particularly in outlying districts require a complete range of cooking utensils, cutlery, chinaware, etc.

War Assets Corporation will have large quantities of these articles for disposal shortly after the war and it will be advisable that, in order to minimize the initial cost of resort establishment, such articles should be placed at the disposal of those who enter the resort business, particularly when they are returned veterans. A strong appeal to the proper authorities should be made without delay to ensure that such will be the case.

Meanwhile, adequate tourist promotion facilities should be organized and prepared to function as soon as transportation and accommodation facilities are prepared to take care of the visiting public. In this connection, it should be borne in mind that Alberta already has extensive transportation and accommodation facilities available in some districts. Promotional effort should be continuous so far as they are concerned and this continuous effort can be so expanded to grow with and include new resort centres as they become developed.

In this respect it may be well to follow the example of the State of Washington and provide a budget not from year to year but to cover a period of years. Promotion material and contacts for business in 1946 must be prepared and established in 1945. Material publicizing summer attractions must always be prepared a year in advance and released not later than the spring in order to be effective. The material should include advertising layouts of design and copy, publicity in the form of written articles and photographs for release in news columns, radio programs and motion pictures suitable for use in news reels or short subjects and in 16 mm size for lecture and

educational purposes. Contacts should include agreements with travel agencies and information bureaus at strategic points in other parts of the United States and Canada. They should also involve lecture tours arranged so that speakers, equipped with scenic motion pictures may deliver addresses during the winter season to societies and organizations in distant parts whose members will be tourists the following season.

As a part of the organization of the industry, points of entry should be established at strategic points within the province so that visitors may be interviewed and data pertaining to their expenditures, mileage travelled, reasons for coming, etc., compiled. Furthermore, properly authorized provincial officials should keep in close touch with the customs ports of entry at the International Boundary to help visitors should they encounter difficulties arising out of customs or immigration regulations. These and other details too numerous to mention will require careful consideration even in the earliest stages of developing Alberta's tourist industry on the scale which is not only justified but will be necessary after the war.

HIGHWAYS

Consideration of road construction and maintenance problems has been left purposely until this point because of its importance. With roads may be considered the modern problems of airport construction and maintenance. From the viewpoint of the tourist industry every trunk and secondary highway in Alberta is of primary importance and when due consideration is given to the desire of the sport fisherman to reach out-of-the-way lakes and streams, the prairie or mountain trail reaches nearly the same category. But achievement of a completely satisfactory highway system, like so many other features of the tourist industry, can be reached only in due time. It becomes necessary, therefore, to consider first things first.

So far as Alberta's tourist industry is concerned, the first great need in highway construction is that the highway from Coutts to Lethbridge, from Redcliff to Strathmore and Calgary, from Lethbridge and Macleod to Edmonton, from Wainwright to Jasper and from Red Deer to the Saskatchewan Crossing on the Banff-Jasper Highway be completed and all permanently hard surfaced within the shortest possible time. In many respects these are federal projects. Those within the industry who have expressed themselves—and they have been numerous—unanimously declare that the federal government should share the major portion if not all of the construction costs of those highways which form parts of the Trans-Canada highway system. Both Edmonton and Jasper groups recently went on record as supporting the view that if the Alberta Government surfaces the Edmonton-Jasper highway as far as Edson it will have done its full share and that other projects should be carried out under an equitable plan of federal aid. The matter for consideration at this juncture, however, is not of necessity how the construction and maintenance of tourist highways can be accomplished but rather that it be accomplished quickly and efficiently and every effort should be exerted to this end. Airports should be constructed by municipalities, villages, towns and cities with federal aid according to their needs.

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ALBERTA POST-WAR RECONSTRUCTION
COMMITTEE

REPORT OF THE POST-WAR
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Alberta Post-War
Reconstruction
Committee

R E P O R T
Of the SURVEY on
AGRICULTURAL
PLANS and INTENTIONS

Appendix 2

Part 1





REPORT

of the

Post-War Reconstruction Committee

1945

» » « «

Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourist Trade In Alberta.
 2. Alberta Post-War Survey.
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UNIVERSITY LIBRARY
UNIVERSITY OF ALBERTA

Qu'Appelle Building,
Edmonton,
August 11, 1945.

Hon. A. J. Hooke,
Chairman, Post-War Reconstruction Committee:

Dear Sir:

I have pleasure in presenting herewith the final report of the survey into post-war buying intentions conducted by the Survey Management Committee among the farm operators of the Province.

The success of the survey is due in large measure to the co-operation of those who voluntarily assisted this committee in its work. I should especially mention the workers of the various regional committees and the staff of the Economics Division, Dominion Department of Agriculture under the direction of Dr. C. C. Spence at the University of Alberta.

Included in this survey was one projected by the Division to inquire into the farm machinery plans of Alberta farmers, and the partial consolidation of our tasks gave us the advantage of fine co-operation by Dr. Spence and his staff.

Yours faithfully,

Reg. T. Rose,
Chairman, Survey Management Committee.

The Survey Committee

» » « «

The Survey Management Committee was appointed by the Post-War Reconstruction Committee of the Government for the purpose of securing from the people of the Province as producers, distributors, and consumers,—

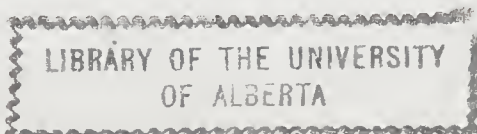
- (a) A report of the changes affecting them, which have occurred during the five years of war;
- (b) A statement of their expectations and plans for the post-war years;
- (c) Their suggestions of ways and means of facilitating the transition from a war-time to a peace-time economy; and
- (d) Their recommendations for expanding industry, production, services, and employment in the Province in the period after the war ends.

It was anticipated that the information secured would be of special value to the subcommittee of the Post-War Reconstruction Committee in respect of the recommendations made by these committees.

The Survey Management Committee consisted of the following:

REG. T. ROSE, Chairman.....	Executive-secretary, Edmonton Chamber of Commerce.
ANDREW STEWART.....	Department of Political Economy, University of Alberta.
WILLIAM ANDERSON	Calgary Power Co. Ltd., Secretary Subcommittee on Industry, Alberta Post-War Reconstruction Committee.
RUDOLPH HENNIG	United Farmers of Alberta.
DAVID ROBERTS	Alberta Association of Municipal Districts.
R. J. GIBB	City Commissioner, Edmonton, Union of Alberta Municipalities.
WM. HAWRELAK, JR.....	Alberta Farmers' Union.
J. A. CHRISTIANSEN	Edmonton Chamber of Commerce.
DR. C. C. SPENCE.....	Economics Division, Dominion Department of Agriculture.
ALDERMAN FRED CHALK	City of Calgary and representative of Southern Alberta.
E. J. MARTIN	Chairman, Subcommittee on Public Works, Alberta Post-War Reconstruction Committee.
H. D. CARRIGAN.....	Secretary, Alberta Post-war Reconstruction Committee.

Assisting the Survey Management Committee in its work was H. P. Brownlee, Provincial Statistician, whose advice and co-operation merits appreciation.



Alberta Post-War Reconstruction Committee

FARM SURVEY

I.—REPORT

A farm survey was undertaken by the Committee at the same time as the surveys of urban householders, retail and wholesale businesses. The objectives of the farm survey were: (a) to discover the changes in farm organization (employment, equipment, crops and live stock) which have occurred in response to war-time conditions, and the expected changes in production and employment after the war; (b) to record the post-war buying intentions and preferences of farm families, and the manner in which expenditures will be financed; and (c) to gather suggestions for facilitating the change-over from war-time to peace-time organization on the farms.

Common Utilization of Alberta Farm Lands

The pattern of farm organization in Alberta varies little from one region to another. While it is true there are larger acreages of one kind of crop in one district compared with another, due to slight differences in temperature and precipitation as well as soil and topography, and these climatic and land features to some extent indirectly influence the numbers and kinds of live stock kept, in general, however, the same kind of crops are grown and the same kinds of live stock are raised in the farthest northern points of any considerable size of settlement, as are produced in areas adjacent to the United States-Alberta boundary. The two areas are more than 550 miles apart. In this wide expanse the main cultivable crops are wheat, oats and barley; the productive kind of live stock are cattle, hogs, poultry and sheep, with the latter of much less significance in most farming areas than the other kinds of crops and animals.

Past Trends in Acreage of Principal Crops

In the development of the Province there was an almost continuous expansion in wheat acreage up to 1941, after which the piling up of surpluses due to three years of better than average yields across the prairies and disruption of marketing channels on account of the war, acreage was reduced by about three million, to five million acres. Direct payments were made by the government from 1941 to 1943, to encourage farmers to utilize their land for other purposes than growing wheat. Oat acreage, which had remained fairly stable since 1920 at between 2 and 3 million acres, reached an all-time high in 1943, at more than 3½ million. Barley acreage has been increased steadily from ½ million acres in the mid-twenties to slightly less than 2 millions in 1944.

Present and Post-War Acreage of Principal Crops

The low point in wheat acreage was reached in 1943, at a little less than 5 millions, but in 1944, it amounted to over 6½ millions, and while the acreage of 1945, is reported to be only slightly more

than that of 1944 on account of a late spring, Alberta farmers anticipate and plan a post-war wheat acreage approximately that prevailing before and during the early war years—nearly 8 millions. They also plan for a slight increase in oat acreage over 1944 of about 6 per cent, and barley 15 per cent. In view of the additional land—approximately 2 million acres*—which it is planned to bring under cultivation, these acreage increases appear probable.

Another probable development based on farmers' intentions is the increased acreage to be devoted to hay and cultivated pasture, and the slight reduction of that in fallow. While acreage in hay and tame pasture barely exceeds 1½ million acres, the survey indicates a 19 per cent increase during the post-war period. Fallowing will be reduced by about 5 per cent. It amounted to about the same acreage as devoted to wheat in 1944, namely, 6½ millions.

Present Farm Types to Remain

All of the plans for utilization of the land after the war indicate a continuation over the greater part of the Province of the present grain and live stock types of farming, with about the same emphasis on the various enterprises as developed during the war.

Broadly classified by types, in 1944, 34 per cent of the farms in Alberta were of the grain type, 38 per cent live stock, 26 per cent mixed grain and live stock, and 2 per cent which would not qualify in one of these three main type descriptions. The latter are farms of which the operator had another important means of livelihood in addition to the farm such as commercial trucking, agent in elevator, and so forth. The basis of classification was the proportion of gross revenue received from cash sale of grain, and of live stock and live stock products†.

Productive Live Stock Numbers, Past, Present and Future

The number of cattle on farms in Alberta in 1944 was about 1¾ million which was about one-third more than the number of cattle on farms during the first two years of the war. In only one year, namely 1921, were there more cattle. Farmers plan for nearly 2 million head—dairy and beef—during the post-war period, with a larger proportionate increase of beef cattle than of dairy. There has been a phenomenal increase in the number of hogs produced in Alberta since the beginning of the war. The number of hogs on farms of Alberta in 1944 (at 2¼ million) was about two-and one-half times the average number found at mid-year on farms for the five pre-war years. While there has been some reduction in the number of hogs produced during the past year, it is the intention of the farmers to continue in hogs to about the same extent or even a little above the 1945 numbers during the post-war period.

By 1943 the population of chickens on farms in Alberta had doubled that of 1921. The increase had been gradual, but from 1943

*On present occupied farms only. See later section of this report.

†Farms where 75 per cent or more of gross revenue was derived from sale of grain were classified as 'grain' farms. Farms where 50 per cent or more of gross revenue was derived from sale of live stock and live stock products were classified as 'live stock' farms. Farms with less than 75 per cent of gross revenue from sale of grain and less than 50 per cent of gross revenue from sale of live stock and live stock products were classified as "mixed" farms.

to 1944 there occurred a larger increase than at any comparative interval during those two decades. There were almost 11 million chickens in Alberta in 1944, and farmers have indicated they are likely to increase this number slightly in the post-war period. The most substantial increases are planned by small farmers.

The foregoing are the chief crops and productive live stock in Alberta.

Increase in Labour for Farms

In the modest expansion to take place during the post-war years in crop acreages and live stock numbers, Alberta farmers are contemplating more help on the farm than they have had during the war years. They are expecting about 20,000 persons to return to the home farm after the war, 16,000 of whom are from the armed forces. But offsetting these to a large extent will be nearly 14,000 males and females now over 15 years of age who expect to leave the home farms after the war to seek other occupations, leaving a net gain of family help for the farms of 6,000.

In the matter of hired help, the farmers' plans are to use more than two-and one-half times the year-round help being used to-day. The number of year-round male help on farms in Alberta in 1944, was estimated at slightly less than 8,000. In 1939, this was approximately 14,500. Of summer help (by month) during the post-war period, farmers expect to employ nearly 32,000 men, or three and one-half times the number employed in 1944. In 1939, the number of men employed for the summer months only, was more than 29,000. Concerning help in the home, farmers expect to use only slightly more than in 1944. The number so employed runs between 9,000 and 10,000 for the Province.

Retirements from Active Work on Farm

Many men expect to retire from active work on the farms, and this probably will mean that a larger number of family help expected to return to the home farms, will take the place of others now active. In a study of representative farms in central Alberta in 1944, one in every five of their operators was over 60 years of age*.

Mechanization on Farms Continues

More will be accomplished per man in the post-war, than in the pre-war period. The mechanization which started on the large wheat farms in the south has spread to the half-section and smaller mixed farms of the north. The combine is more widely distributed; the sweep and the overshot stacker has spread from the ranch to the farm; and the tractor has become commonplace and universal. The shortage of labour on the farms has drawn on the ingenuity of their operators, and they have devised many machines to save man labour. These will stay.

*Farm Business Studies, Central Alberta, 1944. Economics Division, Dominion Department of Agriculture and the Alberta Department of Agriculture through the University of Alberta.

On the farms of Alberta to-day, there are upwards of 54,000 tractors in use†. Nearly one-half of these are 6 years old or less, and thus were bought in 1939, and during the war. The average life use of a tractor under Alberta farm conditions is about 14 years, and nearly 13,000 of the 54,000 tractors are of this age or more; so that out of nearly 39,000 tractors which Alberta farmers plan to buy during 1945, and the three years following, at least one-third will be for replacement. This means, however, that a good many tractors are projected for existing farms now operated by horses.

The number of horses on Alberta farms is definitely on the decline. At 600,000 head there were only about two-thirds the number of horses on Alberta farms in 1944, there were in 1921, a year referred to previously in this report. Even with this present number of horses, only 7 out of 10 were actually used on the farms in 1944.

The present number of harvester combines on Alberta farms of over 12,000 acres, will be almost doubled within the next 3 years, according to the announced plans of the farmers. The number of one-way tillage implements will be increased by 50 per cent in the same period. A similar percentage increase may be expected of trucks. At present there are nearly 20,000 trucks in use on the farms in Alberta, and 47,000 automobiles. While the number of milking machines on farms in the Province at a little less than 1,400 is small, relative to other kinds of farm equipment, the planned purchases of an additional 1,200 in the post-war years, indicates considerable labour saving in dairying.

Farm Plants to Expand

Modern equipment will contribute to the modest expansion in several directions of the existing farm plants in Alberta. While prices of farm products may be less encouraging for this expansion than those which have prevailed during the past two or three years, the general expansion is but a natural one, and is only a continuation of the long-time trend of development in the agricultural resources of the Province.

Any doubt regarding this anticipated expansion of farm plant, even as indicated by farmers in the event of lower prices for their products, can be dispelled by an examination of the situation obtaining during the thirties. In those years of rock-bottom prices, production did not slow down. It was increased in all except the drouth areas. Crop acreages and live stock holdings were greatly in excess of those prevailing during the relatively prosperous twenties. The result was, that despite the depression, production was increased.

It is not to be inferred from this that there will not be the recurring periodic contraction and expansion of crop acreages, and live stock numbers of individual enterprises as have occurred in the past, brought on by changing price relationships. Such may be

†A Survey of Farm Machinery Needs was made across Canada in the early months of 1945 by the Economics Division, Dominion Department of Agriculture, in co-operation with various Provincial agencies. In Alberta this inquiry was made a part of the Farm Survey, Post-War Reconstruction Committee. A full report on the numbers of the several kinds of farm machinery on Alberta farms giving size, type, age, and condition, and anticipated life, together with the farmer's plans of replacement and additions to farm machinery has been prepared and it is expected it will be published shortly with similar reports for the other provinces by the Dominion Department of Agriculture.

desirable and necessary to bring about needed adjustments in the use of our resources. But the long-time trend will be one of expansion, and the farmers in their statements have indicated a continued movement in that direction during the immediate post-war years.

Home Improvements as Well as Farm Enterprise Expansion

But the farmers' plans go beyond the expansion of the existing farm plant. They call for its improvement, the addition of other facilities, and farm and home conveniences. Many of these have been planned for more than a decade, but were impossible to attain during the thirties on account of the low farm income, and during the forties because of material and labour shortages.

In this farm plant expansion and improvement during the post-war period, the farmers of Alberta plan to spend more than \$400,000,000 exclusive of land purchases. Of this, approximately two-fifths will be spent on farm machinery and equipment and one-fifth on building and improving farm houses. The other two-fifths to be expended upon the erection and improvement of farm buildings other than the house, home furnishings, fencing, wells and breaking out additional land.

Expenditures Planned on Farm Buildings

On three out of every ten occupied farms of today the farmers are planning to erect a new house in the post-war years and they estimate an expenditure on this item alone of approximately \$64,000,000. Major additions will be made to existing houses on at least one-fifth of the farms, and this calls for an expenditure of over \$10,000,000. The most common type of house improvement planned for is adding to the exterior finish, either siding and painting or stuccoing. For this they plan to spend more than \$5,000,000. In all more than \$88,000,000 will be spent on farm houses, and another \$73,000,000 on other farm buildings.

Of the farm buildings other than the house the item which calls for the largest expenditures is new barns. Over \$27,000,000 will be spent on these and on about three in ten present occupied farms there will be new barns built; there will be about the same number of machine sheds, and of garages although the total cost will be less than for new barns, yet estimated at another \$19,000,000. Repairs are needed to existing barns, garages, machine sheds, pump houses, granaries and other farm buildings, and for these the farmers anticipate spending about \$10,000,000.

Expenditures in Improving More Land and Water Supply

Nearly two millions of acres of additional land will be broken for cultivation on existing farms during the post-war period, for which the farmers estimate a cost of more than \$23,000,000. Of the additional land to be brought under cultivation on presently occupied farms in the post-war period, more than one and one-half million acres is roughly north of a line drawn from Olds to Lloydminster, and the estimated cost is about \$14 per acre. South of this line it is planned to improve less than one-half million acres, at a cost of approximately \$7 per acre.

Increasing the farm water supply by digging more wells, constructing dams and dugouts will take another \$6,000,000.

Plans for Farm and Home Conveniences

Alberta farmers plan more than additions to existing water supplies; they also plan on more convenient water facilities. On one farm in four, plans are being made for installing a piped water system, and on only a slightly smaller proportion is there being planned the installation of a bath and plumbing accommodation. In total, these installations will cost in the neighbourhood of \$11,000,000 according to the farmers who are planning for them. Central heating (furnace) is another home comfort and convenience which is being planned by Alberta farmers—about 28 per cent of them—and they will spend only a little less than \$5,000,000 on this item during the post-war period. About the same proportion of Alberta farmers (27 per cent) are planning on purchasing lighting plants which will involve an expenditure of nearly \$10,000,000. Power washers, stoves and furniture make up the bulk of the items for which a substantial outlay will be made by Alberta farmers on their homes and families. In all, on home and family the Alberta farmer plans to spend during the post-war period approximately \$50,000,000.

Appraisal of the Need

Anyone who is familiar with our Alberta farms, and our farm homes will realize that the expansion contemplated, the machinery types and designs needed to successfully farm the land, the growing and adolescent stage of our agriculture which has encouraged a temporary, rather than permanent home structure, on a vast number of farms, will realize that the expenditures contemplated, while on the surface appearing stupendous, are very modest indeed. This is still a new country—the greater part of which has been settled scarcely more than three decades by a people who, in the main, brought little worldly goods with them. Except for a splurge during the Great War, No. 1 years, and again during the twenties, a relatively short time, little farmstead and home improvement requiring an outlay of considerable capital investment has taken place beyond the initial stages of making farms from the land. The farmers had few implements and equipment passed on to them or made available for their use by an established relative-neighbour—because all were starting up; and what implements were brought from older settled parts did not prove adaptable for long under Western farming conditions. Likewise the farm home received little or no furniture and equipment out of grandfather's big house on the hill, because grandfather's house was a long distance away. This is not intended to discount the large amount of goods and chattels which were brought into Alberta and elsewhere in the West from Eastern Canada, and points in the United States, in the carloads of settlers' goods; nor the capital which was raised by mortgaging land in those older farming regions to start up a son or brother in farming in this newer country. These contributions were considerable. But relatively speaking, only the bare necessities for establishing a farm and home were available at the beginning. The first surpluses earned had to be used in adding capital to the farm in the form of larger improved acreage, live stock and equipment, in order to add to the earning

capacity of the farm unit. For most farmers, farm and home improvements had to be delayed. In general this building up process had scarcely well advanced when the depression years of the thirties struck. Farm incomes in that period did not permit needed improvements, and in fact, were not adequate to prevent the deterioration of existing structures of farm and home. During the late thirties, farm income rose, and the rise was continued throughout the forties, but the war further delayed much of the needed and planned improvements on the farm and in the home. These are the reasons for the demand which exists, the question is; how effective is this demand?

Is the Demand Effective?

The farmers were asked how they expected to finance their planned post-war purchases. The replies indicate that slightly over one-half would be financed out of current income, nearly one-fourth out of savings, and the remainder by instalment credit and by borrowing.

Financing by instalment credit was chiefly associated with the purchase of farm machinery and equipment. Direct borrowing was associated with the building of a new house or other major expenditure in the building line. Only 17 per cent of the farmers are planning to borrow money to finance post-war purchases, and plan to borrow only 8 per cent of total purchases.

Plan Purchases from Savings

Out of farmers' savings will come \$100,000,000 to help finance the planned post-war purchases, according to the farmers' statements. Fifty-three per cent report they will use 'savings' to finance post-war purchases. While statistics on farmers' savings are not obtainable, there is no reason to doubt that this figure is readily available from that source. More than \$200,000,000 have been invested in Victory bonds by private investors of Alberta. These include both urban and rural residents. While it has been estimated that less than one-half of the savings in Victory bonds is held by farm people, nevertheless it is no doubt a substantial amount. Deposits in Canada's chartered banks have increased from approximately \$2,600,000,000 the first year of the war to nearly \$5,000,000,000 in 1944. Figures on banks deposits by provinces and division as between urban and rural people are not published; but it would appear reasonable to believe that at least a small share of the \$5,000,000,000 is deposited in the names of the 480 odd thousand rural inhabitants of Alberta, who comprise more than 4 per cent of the people of Canada.

One-Half to be Financed by Current Income

As mentioned, more than one-half of the Alberta farmers' planned purchases are to be financed out of current income—nearly \$250,000,000—and it is here that it would be well to examine carefully the farmers' ability to do so. In Alberta cash income* from the sale of farm products in 1944, at \$314,000,000 was approximately two-and-one-half times the same item in 1940. It amounted to \$221,000,000 in 1943. The net income† to the farmer after operating

*Dominion Bureau of Statistics, "Cash Income from the Sale of Farm Products, by Provinces", Quarterly Bulletin of Agricultural Statistics, October 1942 to March 1944.

†Dominion Bureau of Statistics, "Net Farm Income, Alberta 1940 to 1943", Quarterly Bulletin of Agricultural Statistics, April to June, 1944.

expenses and depreciation costs have been deducted from the gross is estimated to have been about \$90,000,000 in each of the years 1940 and 1941; in 1942, about \$236,000,000; and in 1943, over \$128,000,000. While figures have not been published on the net income for 1944, it is reasonable to conclude that it rose above all previous records because the cash income from the sale of agricultural products along with government payments was nearly \$100,000,000 above the highest amount to be received in any other year. The previous high was in 1943. It would appear that the net farm income to the farmers of Alberta during the three-year period 1942, 1943, and 1944 was well over \$200,000,000 on an average annually. From this net farm income must be deducted the cash farm living expenses to arrive at a surplus for new purchases and for meeting debts. If there were to be allowed \$1,000[†] for each of the 82,000 farm units to cover cash living expenses, then there would remain \$118,000,000 (\$200-\$82) which in three years' time would have amounted to \$354,000,000 to pay for new purchases and pay off indebtedness.

Farmers Comparatively Free of Debt

The proportion of farmer's income that will be required to meet indebtedness in the immediate future is likely to be relatively small.* Most of the indebtedness, other than that associated with real estate, has been paid off during the past few years, and by 1944 the debt on real estate was reduced by as much as one-half of the figure in 1937.† So that if farm incomes should remain on a level of what they were during the past three years more than \$100,000,000 of the farmers' current annual income could be used in making the purchases which they have planned for the post-war years. If, however, the farm income was to fall to what it was in pre-war years, or even to that of the first two years of the war, one could not anticipate the planned programme of expenditures on housing, for the home, other building, and other farm improvements as well as machinery and equipment amounting in all to about \$425,000,000, being carried out in the immediate post-war period. However, the farmers could probably reach midway in their objective. The direction of this planned expenditure is indicated by the survey.

The opinions of farmers as to community needs for economic and social betterment were many and varied. These might conveniently fall under the heads of agricultural development, health, roads and marketing, education and miscellaneous.

The gist of a few individual reports is given immediately following. It must be borne in mind, however, that these represent individual judgments only. They have not been weighted in the light of other known factors. They are given merely as a cross section of individual thought among the farm operators.

[†]In a study made by the Dominion Economics Division in co-operation with the Alberta Department of Agriculture through the University, of 318 farm businesses in central Alberta for the year 1943-44, the average farm family cash living costs, less costs of new furnishings for the house, was approximately \$1,000. These farms are located in the Gadsby, Drumheller, and Innisfail areas where the level of living rates are well up compared with other districts of the Province. Report to be published on this study by Economics Division, Dominion Department of Agriculture.

*Farm Business Studies, Central Alberta. Dominion Economics Division, University of Alberta. Unpublished.

[†]Report on Farm Mortgage Debts in the Three Prairie Provinces. Issued by Dominion Mortgage and Investments Association, Toronto. April, 1945.

Agricultural Development

The price of farm products must be stabilized. This is one opinion that finds **general agreement** among the farmers who co-operated in the survey. Not the same unanimity prevailed in regard to the level of stabilization. The majority were content with to-day's prices, and indicated that these were "fair". The price spread between producer and consumer for farm products was felt by some to be too great. In the northern part of the Province, freight rates were blamed for at least part of the trouble.

The quota system, as it now operates in grain marketing, should be continued and extended to other products. There was an insistent demand for the continued use of the Dominion Wheat Board. An extension of co-operative activity in both the consumer and producer fields is advocated. Carlot buying of bulk products meets with the approval of many farmers. Some farmers want to see public ownership of the packing plants while others suggested that the mechanics of shipping and selling live stock could be greatly improved if a more co-operative attitude by seller and buyer obtained.

The necessity of improving Alberta live stock has not been overlooked. The extensive use of better sires coupled with an educational programme, is one approach to this topic. Veterinary surgeons are required in many districts.

The present shortage of farm machinery prompted numerous remarks. Foremost among these was a demand for co-operative distribution. Some farmers would like to see a move to standardize the various types and models while others believed that the co-operative approach to the acquisition and use of larger units would be a sound idea. In the north, bush clearing machinery is in demand and municipal ownership of larger power units is recommended.

Weeds present an ever growing problem to the farmer. Reading their comments about present day control measures leaves one in little doubt of this fact. Clean seed is a necessity and community grain cleaners were frequently advocated. Special implements for particular weeds could be purchased by the municipality and rented to the farmers, was the opinion of one operator. Chemicals are not being used as they might be, and an extensive experimental programme should be undertaken in this regard. The use of local weed inspectors is objected to by some, and a comprehensive, all inclusive programme of community control under the direction of trained men is suggested as one possible solution.

In the southern part of the Province there is an insistent demand for an increase in the amount of land "under the ditch". Irrigation can be extended. The suggestion that power be generated at the irrigation dam sites, is also worthy of attention. Dams and dugouts for stock watering are needed in some areas and the use of larger community machinery could provide these.

The experimental farm programme should be enlarged. In the opinion of many operators a more extensive use of illustration stations is advisable. The farmers feel that there is not enough scientific research being undertaken, and that the knowledge available is not disseminated as successfully as it might be. The use of

short courses, boys' and girls' clubs, agricultural schools, and other similar institutions must be extended and improved, so that effective production practices can be more generally understood and used. An insistent demand for more District Agriculturists was voiced. Some suggested that they be given a wider field of action.

Health

Seventy-five per cent of the farmers demanded "state medicine". From the comments which were recorded, it is not clear that any distinction was made between "health insurance" and "state medicine". It would be safe to assume that what the advocates of "state medicine" want is a government plan, which will make the benefits of medical science, both curative and preventive, available to the people of Alberta.

A serious shortage of trained personnel is reported from all country districts. A lack of doctors is the most pressing problem, and some operators report that medical services are non-existent within 50 miles of their residences. District nurses are in demand, and it is suggested that with their help, parents and teachers could combine forces to provide better protection for the health of the school children. There are insufficient dentists, and many farmers are very dissatisfied with the situation.

Hospital accommodation is inadequate. Community hospitals are required at a number of points. The use of travelling clinics and ambulance planes is frequently suggested, so that the facilities we have may be more fully utilized. In some areas community hospitals cannot accommodate patients requiring prolonged treatment, and this works a hardship on some families. The high cost of hospitalization is suggested as a deleterious factor.

The prevention of disease and illness is deserving of more consideration and effort. Health officers are needed to protect the health of the community. Educational programmes on nutrition and diet habits would be very helpful. Summer camps for boys and girls as well as youth centres, are, in the mind of one farmer, a means to improve the health of his community.

Compulsory health examinations are also suggested as a means whereby the health standards might be improved. The farmers' replies about the problem of health, indicate that they do not want something for nothing. Contributory old age pensions with a reduction in the age limit are desirable.

Roads and Marketing

The farm population demand an improvement in Alberta roads. The three complaints most frequently registered had to do with the lack of suitable roads to schools, to hospitals, and to markets. Many people felt that lack of transportation for school children was directly due to impassable roads. This situation resulted in many forced withdrawals from high school. There are a large number of farms situated more than ten miles from a gravel road and on many occasions the occupants feel that they are isolated from hospitals which might be needed in an emergency. The lack of truck roads to rail points for marketing purposes, causes considerable concern and economic loss is a frequent result of this situation.

Farmers state that the use of all transportation revenue should be directed towards improving the transportation facilities. On many reports was the criticism of failure to maintain roads already constructed. The improvement of roads which radiate from market centres is considered desirable by some.

Snow constitutes an impediment in many northern districts, and a greater use of snowploughs is recommended. One farmer points out that with the increase in mechanization of transportation, research on permanent roads for Alberta should be instituted.

Marketing procedures and practices, in general, seem to meet with approval. A considerable number of those interviewed are of the opinion that co-operative marketing facilities should be greatly increased. Markets which are located nearer to the areas of production are desired, and decentralization of the live stock market is deemed advisable. Some farmers express concern over the lack of competition that exists in some markets, and would like to see a broader approach adopted. Markets established by the individual, but controlled to a limited extent by the government, are also suggested.

Education

The enlarged school districts are generally accepted as an improvement. Many people are of the opinion that not enough has been done to exploit this idea. The lack of adequate school building facilities is the cause of many comments. The use of buses is favoured and it is suggested that the service is not as extensive as it might be. Poor roads are a factor in this, but many feel that this effort could be overcome.

The quality of Alberta teachers is praised in a number of the reports, but some co-operators are convinced that higher salaries coupled with more rigid professional requirements will be necessary to obtain the standards that we rightly expect.

There is an insistent demand for more technical training. Some people think that this work should be undertaken as part of the public school curriculum, but others believe it could be postponed until the high school level. Clear agreement on whether it should be incorporated into the present high school course, or become an additional effort is not established, but some extension of the present system is asked. Vocational training schools could find a much wider use in many sections of the Province. The art and science of agriculture must be encouraged, and farmers request that more schools for this training be established.

The opportunity for higher education should be denied no person of ability. Interest free loans, scholarships or free education to the children and young men and women of promise, can accomplish this end.

Adult education can accomplish a great deal, and with this in view more frequent lectures and demonstrations should be made available. The establishment of recreational centres and the continued enlargement of extension services are sought by most of our sample group. Libraries are a real source of pleasure and instruction, but are denied to many at the present time. More Dominion aid for education is suggested.

Miscellaneous Suggestions

Rural electrification has been a much discussed topic of the past year, and consequently it was not surprising to find that more than 90 per cent of those interviewed expressed a desire for immediate construction of the proposed lines. The demand for electrification is general over the entire Province. In those areas conveniently situated, a wider use of natural gas is a post-war aim.

The postal delivery system is felt to be inadequate in some communities and the use of buses as carrying agents should be more generally adopted. The rural telephone system leaves much to be desired according to a number of co-operators.

An improvement in the type of building construction on the farm would be worthwhile. More thought could be given to the adaptation union instrument as a means of self-help would aid the farming community. In this connection many people demand freer government credit extension.

A feeling prevails that Income Tax Schedules will have to be revised, in order to encourage capital investment in the farm enterprise. Changes in taxation methods by placing a greater reliance on sales tax, rather than land tax are also desired.

The use of water systems and sewage disposal in small towns might be deserving of more attention.

Insurance facilities for farm live stock and buildings should be extended and improved. Hail insurance is too expensive in some areas.

War Assets Corporation buildings from Air Force and Army establishments, would make excellent community centres in the opinion of one farmer. There are not sufficient old folks' homes.

These in the main are the general thoughts expressed by the several hundred Alberta farmers, interviewed in this survey by the Alberta Post-War Reconstruction Committee. As previously indicated, they are the product of individual judgment only.

The modest expansion of the farm plant and its improvement, the planned purchases to provide for more efficiency in production, and the planned purchases for home conveniences and comforts, discussed in this report are those of the farm units at present occupied.

The requirements of new farm units which may be created as a result of large settlement programmes in areas of the Province now unoccupied, have not been a part of this report.

II—DETAIL OF ESTIMATES

Table 1.—Farmers' Stated Intentions on Crop Acreages in Post-War Years in relation to 1944.

Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

Land Use	North Alberta Census Divisions 8 to 17	South Alberta Census Divisions 1 to 7	Whole Province
Wheat	+35	+14	+23
Oats	+ 8	+ 4	+ 6
Barley	+13	+16	+15
Hay and Pasture	+20	+18	+19
Summerfallow	- 2	- 5	- 4

Percentage up (+) or down (-) from 1944 acreages.

Table 2.—Farmers' Stated Intentions on Live Stock Numbers in Post-War Years in relation to 1944.

Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

	North Alberta Census Divisions 8 to 17	South Alberta Census Divisions 1 to 7	All Alberta
Dairy cattle.....	+16	+20	+17
Beef cattle.....	+40	+23	+29
Hogs.....	+11	- 1	+ 7
Chickens.....	+ 5	+ 5	+ 5

Percentage up (+) or down (-) from 1944 numbers.

Table 3.—Labour Situation on Alberta Farms during Early Post-War Years.

Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

Family Help			
	At home 1944	Expected to leave after the war	Number in family expected to return to home farm after the war from:
Males, 15 years and over	112,601	6,550	Armed forces..... 15,950
Females, 15 years and over .	104,980	7,260	War industry..... 1,855
			Other work..... 2,310

Hired Help			
	Number of Hired Help		
	1939	1944	Expected Post-War
Farm help year round	14,520	7,830	22,360
Farm help summer only.....	29,025	8,580	31,900
Help in the home.....	9,865	9,600	10,185

Table 4.—Alberta Farmers' Post-War Purchasing Plans.

Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

Summary		
Planned Expenditures on	Dollars (000 omitted)	Percentage
Housing	88,356	21
Other building expenditures	73,361	17
Other farm improvements	36,384	8
Home and family	50,081	12
Machinery and equipment	177,454	42
Total	425,636	100

*For details on machinery and equipment see Table 5.

Detail of Planned Expenditures

	Farms planning this expenditure		Amount in thousands
	Number in hundreds	Percentage	
\$			
Housing:			
Building new house.....	258	32	64,061
Additions to house.....	176	22	10,075
Completing inside space.....	170	21	4,792
Outside, paint and finish.....	357	44	5,530
Inside decorating.....	235	29	2,523
Other	138	17	1,375
Other Building Expenditures:			
New garage	266	33	7,717
New barn	265	32	27,525
New machine shed.....	244	30	11,241
New pump house.....	157	19	1,881
New granary	337	41	9,257
New other	141	17	5,744
Repairs to garage	103	13	915
Repairs to barn.....	242	30	5,501
Repairs to machine shed.....	52	6	827
Repairs to pump house.....	29	4	187
Repairs to granary.....	133	16	1,537
Repairs to other.....	55	8	1,029
Other Farm Improvements:			
New land to be brought under cultivation ...	402	49	23,417
Fencing	422	52	6,900
Wells, dams, dugouts.....	268	33	6,068
Home and Family:			
Furnace	229	28	4,820
Water system	203	25	6,172
Bath and plumbing	176	22	4,990
Lighting plant	222	27	9,942
Power washer	213	26	3,204
Stove	130	16	1,597
Furniture	244	30	7,696
House furnishings	161	20	2,913
Clothing	274	34	7,802
Other	114	14	946

*For details on machinery and equipment see Table 5.

Table 5.—Number of More Important Items Planned to be Purchased by Alberta Farmers within an Approximate Three-Year Post-War Period*.

Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

	Number
Tractors	39,000
Grain binders	25,100
Tractor ploughs	19,300
Automobiles	17,500
One-way	16,750
Seeder	14,800
Trucks	14,700
Hay mowers	12,900
Combine (harvester)	12,000
Grain cleaner	7,525
Cream separator	7,400
Manure spreader	5,100

*Details on Alberta Farmers' Post-War Planned Purchases of Farm Machinery and Implements giving the types, sizes, and probable post-war year when machine will be purchased if available, have been tabulated.

A similar survey on Farm Machinery needs in the other provinces of Canada was made at the same time. More detail on the Alberta farmer's machinery requirements will be published simultaneously with that of the other provinces by the Dominion Department of Agriculture.

Table 6.—Farmers' Stated Intentions on Method of Financing Post-War Purchases. Farm Survey, January 1945, Alberta Post-War Reconstruction Committee.

Proportion of post-war purchases to be provided from	Percentage
Savings	23
Current income	58
Instalment credit	11
Borrowing	8
Total	100

III—THE MECHANICS OF THE SURVEY

It is obvious that in a Province as large as Alberta, statements could be obtained from only a small proportion of its farmers, and the problem was one of obtaining statements from a truly representative body, and of estimating from these aggregates to give the overall estimates of the Province.

The most complete and indeed the only source of information respecting the number of farms, their sizes, acreage, and live stock numbers of the Province is the Dominion Census, and supplementary reports based on figures assembled by the Bureau of Statistics each year following a mid-year survey. These data with an adjustment in the number of farms for reasons explained later in the report, were used in arriving at estimates on Alberta's farmers' plans.

Selection of Sample

It was decided to ask for statements from 2,500 farmers within the Province, or approximately 2½ per cent of the 99,732 given in the 1941 Census count. The distribution of these was arrived at in the following manner. From a type of farming map, with boundaries shifted to avoid splitting municipal divisions, the Province was

divided into 26 areas. For each area the number of farms required for a $2\frac{1}{2}$ per cent sample was determined. On the basis of approximately 12 statements for each point, the number of points from which to obtain the required number of statements was calculated for each area. The location of the points central to the farms to be selected was chosen by reference to an arrayed list of railway points according to the long-time wheat yield of the district served by the point.* The points were chosen from the arrayed list by selecting every third or every fifth, etc., depending on the number of points on the list, so that as many would be chosen from the low yield districts as the high yield ones, and also, avoiding the selection of two points which lay fairly close together.

Having selected the point, a line was drawn through it perpendicular to the main rail transportation route, and each section on the line in the two directions from the point for six miles back marked for a statement. Where a lake occurred, or land of which it was known that no one resided thereon, the line was shifted to one side of the known unoccupied area. The direction to the enumerators was to obtain a statement from one occupant on each marked section. If it were unoccupied, then the nearest accessible occupant to the right or left of this marked section was to be canvassed. The reason for this selection on a line crossing at right angles, the main rail transportation route was, that nearer the trading centre farms are more fully developed and improved, and consequently their situation and future requirements would differ from those farms farther remote. While there are exceptions, this is generally true.

The Enumeration

As the farm survey was only one part of the provincial-wide survey which included also surveys of urban householders, wholesale and retail trade, industrial establishments as well as municipal governments, machinery was set up to assemble the information including that required of the farmers. The machinery provided for the division of the Province into 25 regions (differs from the above mentioned type of farm map) with a local committee in one strategic larger centre in each region. The local committee consisted of a chairman and secretary, as well as a number of committee men, one of whom was responsible for the farm survey. In most regions the District Agriculturist was the farm survey committee member. This local official selected the enumerators, and the 12 statements from each point were thought to be a large enough number from one volunteer worker, and of course it did provide for a wider distribution of responses. However, it also meant that a larger number of untrained workers were used which is not always satisfactory in enumerating economic data. It was suggested from the central office that elevator agents be used in the enumeration, and there were more of this class used than any other. In a few instances the committee member did much of the enumeration himself.

*See, Andrew Stewart, "Crop Insurance in Alberta", p. 51, March 1945. Prepared from wheat yield data by railway points. 'Appraisers Manual of Grain Yields, 1925 to 1940; Wheat, Oats, Barley, Rye and Flax; A 16-Year Record by Stations; Alberta.' Sanford Evans Statistical Service, Winnipeg, Canada. Later yield data in 'Wheat Yield by Towns, 1943'. Sanford Evans Statistical Service.

The survey form contained eight sections, two of which asked for comments and suggestions of farm co-operator on community needs, and an appraisal by the enumerator of the interviewed farmer's co-operation. The other sections of the schedule were factual questions and contained approximately 500 questions of which possibly 200 items were entered for the usual co-operator. On the whole the enumeration appeared to be fairly well done. About 8 per cent of those returned were not tabulated on account of incompleteness, an obviously wrong interpretation, and also on account of evidence of wilful distortion of the truth.

There was distributed to the 208 chosen points in the Province, 2,500 blanks, instructions to enumerators, maps indicating the sections selected, and forms for checking the completion of a statement and notation of any changes made in the location of the farm, enumerated from the one originally selected.

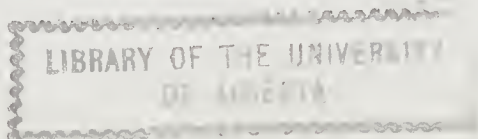
Out of 2,500 schedules distributed from the central office, 1,567 were returned. Of these 1,229 were obtained from farms located on the sections marked for selection, and 307 were from farms other than those specifically selected by the central office; but in many instances these latter were located so that it could be considered the enumerator followed the central office's direction for selection. There were 31 where the information as to the location of the farm selected was not supplied with the returned blank. Thus for about one in five schedules returned, there was a selection made other than on the section marked. As noted, however, many of the 20 per cent were from the nearest accessible occupant to the section marked.

Procedure Followed in Arriving at Estimates

In calculating the overall estimates for the Province in numbers of hired help, post-war acreage intentions, live stock numbers, numbers of machines, dollar value of post-war intentions, etc., for calculating, the Province was divided into two parts—south and north. The southern part included census divisions numbers 1 to 7, the northern part numbers 8 to 17. Within the southern part the sample farms were divided into three size groups: 1 to 3 quarters, 4 to 6 quarters, and 7 quarters or more. Within the northern part, the size groups were: 1 to 2 quarters, 3 to 4 quarters, and 5 quarters or more.

The number of farms by the same size groups as reported in 1942 Census, were used in arriving at aggregate estimates; except that the farms reported in the Census less than 100 acres were ignored, and from the smallest size grouping the non-resident farms were deducted.* Estimated on this basis, the number of resident operated farm units in Alberta is approximately 32,000.

*In sample studies of farm businesses it has been found that there are fewer operating units in a census enumeration district than the census count records. This is due on the one hand to including for the study of the farm as a unit, all parcels under one farm organization, farmed from the same headquarters with the same equipment, such as a father and son arrangement; and on the other hand to parcel or parcels belonging to a farm unit being counted in the census count as a separate farm because these lie in another census enumeration district; or in other words there occurs some duplication in the count of farms or parts of farms. In studies of farm businesses in southern Saskatchewan where there has been an opportunity to check the differences in the counts of farm business units and the census counts of farms over a wide area the former is approximately 85 per cent of the number given in census for the same enumeration unit. The same duplication occurs in municipal counts of farms, where one farm lies in two municipalities. This applies to count of farm units only.



On this basis, total 1944 cultivated acreage is determined from the sample, was about 7 per cent higher than the provincial estimates, the number of hogs on farms estimated from the sample checked within 14 per cent of the provincial estimates, and number of cattle on farms within 7 per cent of provincial estimates. The provincial estimates on cattle and hog numbers are from the Dominion Bureau of Statistics survey of live stock numbers made in June 1944, which was made six months before the sample farm survey of the Alberta Post-War Reconstruction Committee. It was felt that the weighting for the different size groups in the north and south parts of the Province, thus arrived at, was reasonably satisfactory to arrive at the aggregate estimates for the Province.

Alberta Post-War
Reconstruction
Committee

R E P O R T
Of SURVEY into
HOUSEHOLDERS'
BUYING INTENTIONS

Appendix 2

Part 2





REPORT

of the

Alberta Post-War Reconstruction Committee

1945

» » « «

Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourist Trade In Alberta.
 2. Alberta Post-War Survey.
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LIBRARY OF THE UNIVERSITY
OF ALBERTA

Qu'Appelle Building,
Edmonton, Alberta,
December 17, 1945.

HON. C. E. GERHART,
Minister of Trade and Industry,
Administration Building,
Edmonton, Alberta.

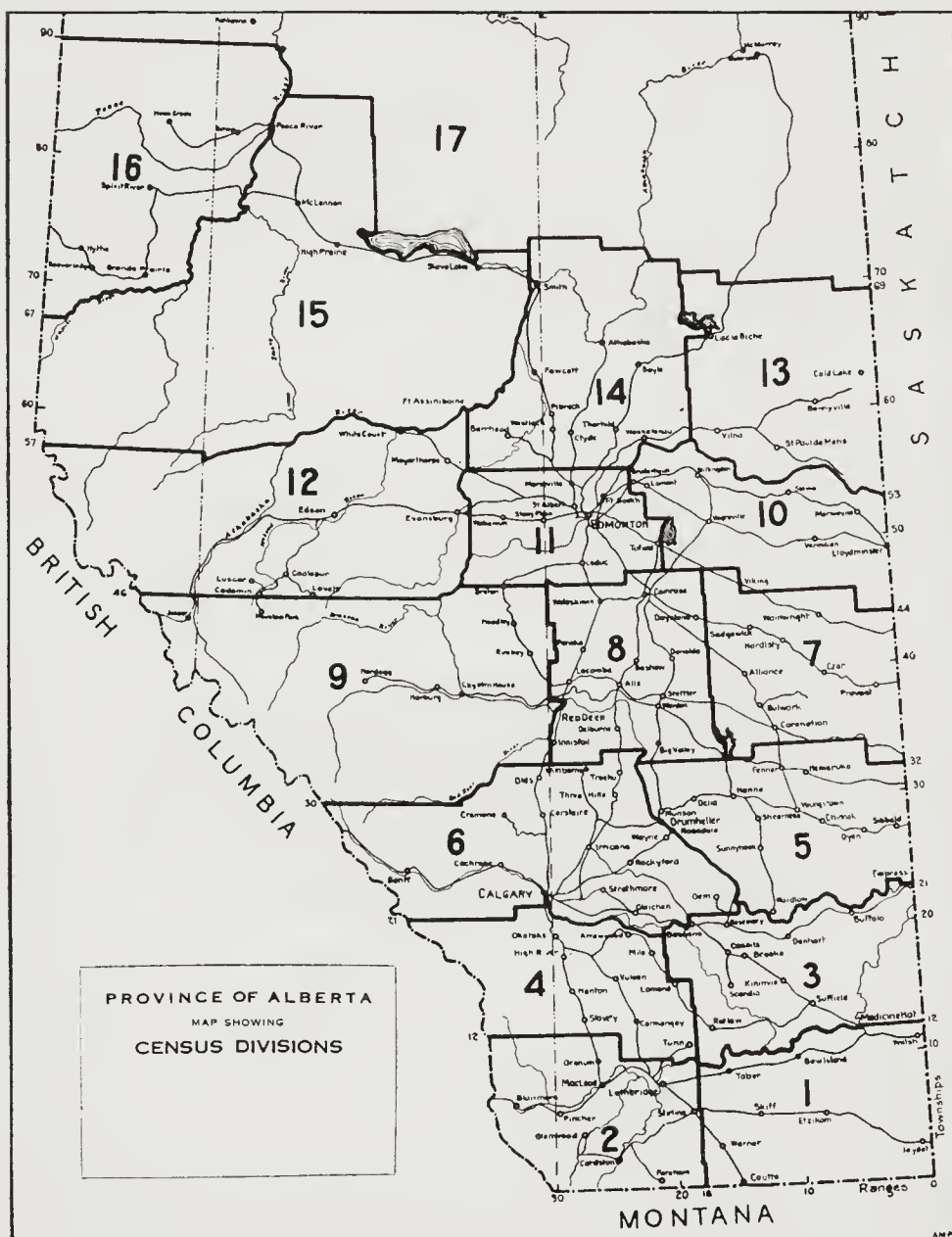
Dear Sir:

It gives me pleasure to transmit to you the final report on Householders' Buying Intentions based on the findings of a survey conducted earlier this year by the Survey Management Committee.

In our work we received generous assistance from local Boards of Trade and Chambers of Commerce throughout the Province and from the Women's Volunteer Service Bureau, and it is fitting that this assistance, with that rendered by others, should be mentioned as having contributed greatly to the success of the survey.

Yours sincerely,

REG. T. ROSE,
Chairman.



The Survey Committee

» » « «

The Survey Management Committee was appointed by the Post-War Reconstruction Committee of the Government for the purpose of securing from the people of the Province as producers, distributors, and consumers,—

- (a) A report of the changes affecting them, which have occurred during the five years of war;
- (b) A statement of their expectations and plans for the post-war years;
- (c) Their suggestions of ways and means of facilitating the transition from a war-time to a peace-time economy; and
- (d) Their recommendations for expanding industry, production, services, and employment in the Province in the period after the war ends.

It was anticipated that the information secured would be of special value to the subcommittee of the Post-War Reconstruction Committee in respect of the recommendations made by these committees.

The Survey Management Committee consisted of the following:

REG. T. ROSE, Chairman	Executive-secretary, Edmonton Chamber of Commerce.
ANDREW STEWART.....	Department of Political Economy, University of Alberta.
WILLIAM ANDERSON.....	Calgary Power Co. Ltd., Secretary Subcommittee on Industry, Alberta Post-War Reconstruction Committee.
RUDOLPH HENNIG.....	United Farmers of Alberta.
DAVID ROBERTS.....	Alberta Association of Municipal Districts.
R. J. GIBB.....	City Commissioner, Edmonton, Union of Alberta Municipalities.
WM. HAWRELAK, JR.	Alberta Farmers' Union.
J. A. CHRISTIANSEN.....	Edmonton Chamber of Commerce.
DR. C. C. SPENCE.....	Economics Division, Dominion Department of Agriculture.
ALDERMAN FRED CHALK	City of Calgary and representative of Southern Alberta.
E. J. MARTIN.....	Chairman, Subcommittee on Public Works, Alberta Post-War Reconstruction Committee.
H. D. CARRIGAN	Secretary, Alberta Post-war Reconstruction Committee.

Assisting the Survey Management Committee in its work was H. P. Brownlee, Provincial Statistician, whose advice and co-operation merits appreciation.

ALBERTA POST-WAR RECONSTRUCTION COMMITTEE

« »

Non-Farm Household Survey

A survey of the non-farm households of the Province of Alberta was undertaken by the Committee during January and February of 1945. The objects of this survey were:

(a) To find out the post-war purchasing plans of non-farm householders, their preferences and the proposed methods of financing such expenditures;

(b) To record the employment situation in respect of these householders and former members of these households who are expected to return from the armed services, war work, etc.;

(c) To receive suggestions on community needs, health, education, recreation, business, etc.

OBSERVATIONS PERTAINING TO THE SURVEY

1941 Census Figures Used.

Throughout the Non-Farm Household Survey, where figures were needed for weighting results and for necessary comparisons, the Dominion Census of 1941 was used.

The population of Alberta in 1941 was 796,160, comprising 201,795 households. The number of non-farm families is given in the Census as 91,867 and this figure was used in the compilation of the results of this Survey.

CLOTHING

Although a section of the survey questionnaire was devoted to clothing purchases it has not been included in the purchasing plans presented herein. About 80% of the people indicated that they were planning to purchase clothing to the extent of more than \$18,000,000. The reason for the non-inclusion of this item is that it appears to include present replacement needs, as well as delayed expenditures on new clothing.

HOUSING

The combined total of persons desiring to buy or build a house is 28.9% which is slightly in excess of the Dominion average of 25%, indicated by an independent survey. The non-farm household survey shows that only 46% of those reporting indicate that home buying or building is their first choice. This presumably means that the building programme probably should be extended over a period of several years, rather than for merely a two-year interval.

Financing House Buying or Building

The percentage of families using various methods of buying or building a house were:

Out of Savings.....	79%
Out of Current Income.....	30%
By Instalment Credit.....	25%
By Borrowing.....	49%

The proportions of the total expenditure to be financed from various sources were:

Out of Savings.....	42%
Out of Current Income.....	12%
By Instalment Credit.....	13%
By Borrowing.....	33%

It will be noted that nearly 50% of those planning to buy or build expect to borrow an amount equal to 33% of the total expenditure. The 25% who plan to use instalment credit will require 13% of the total. This means that nearly one-half of the people planning to buy or build will require from instalment credit sources, or by borrowing, over \$40,000,000.

Nearly four-fifths of the persons indicate they will use savings to the extent of 42% of the total required to buy or build. The approximate \$40,000,000 thus required is, as is elsewhere shown, well within the compass of the non-farm householders' savings.

CAN THESE PLANS BE CARRIED OUT?

Planned Purchases from Savings

Non-farm householders were asked how they expected to finance their post-war purchases. They have indicated that of their planned purchases of over \$200,000,000, nearly two-fifths will come from savings, over one-quarter will be financed from current income, about one-fifth from borrowing and the remainder from instalment credit.

The householders surveyed have stated they will finance over \$75,000,000 from savings. This appears quite within the ability of the non-farm population. Of Victory Loan savings of over \$290,282,750 (see table 14) for the Province, it is estimated that more than half are in the hands of urban and non-farm dwellers. In Canadian Chartered Banks at the end of 1944 lay over \$5,000,000,000 of savings. Although no published figures are available showing the ownership of these savings as between provinces or between urban and rural residents, on a straight per capita basis, there would be about \$400 to the credit of each person in Alberta, or approximately \$320,000,000 for the Province as a whole. Alberta has roughly 90,000 non-farm families with, say, an average size of 4 persons, each with \$400 bank savings. On the basis of this very rough estimate, the total aggregate bank savings would be in the neighbourhood of \$144,000,000 for the non-farm population of the Province. The combined total of savings available from Victory Loans and bank deposits amounting to approximately \$290,000,000 seems more than sufficient to meet the anticipated expenditures from this source.

Planned Purchases from Current Income

Non-farm householders expect to finance slightly over one-quarter of their total post-war expenditures out of current income. This represents about \$50,000,000 or \$25,000,000 for each of two years.

For the 90,000 non-farm families the average expenditure out of current income would be approximately \$200. This does not seem to be an unreasonable amount to be spent on commodities many of which consumers have been unable to secure during the war years.

ORGANIZATION AND CONDUCT OF THE SURVEY

The Survey Management Committee in making the province-wide non-farm survey was assisted by twenty-five regional committees which were set up immediately following the appointment of the Survey Management Committee. These committees consisted of a chairman, a secretary, and a number of key workers who were responsible for the organization of the region in which the committee was located, the instruction of interviewers, the disposition and collection of the survey schedules, and the filing of the records with the provincial office in Edmonton. In each case the assistance of the regional committees was excellent and appreciation is hereby recorded of their fine contribution towards the success of the survey.

While exact figures are not available, a fairly complete list of those who assisted in the work of the regional committees, numbers in excess of 1,200. All these persons gave freely of their time and effort without remuneration of any kind. It is perhaps fitting at this point to mention the especially fine co-operation of the Edmonton Women's Volunteer Bureau who not only canvassed and returned to the Management Committee over 900 completed questionnaires, but also made available for four evenings over 100 members per evening to help in the checking and coding of the household and business questionnaires.

Other persons not members of the Management Committee who have given a great deal of time and attention to this survey were the following:

W. B. Gowan—International Business Machines Company Limited.

Graham Stewart—Director, Accounting Machine Dept., Department of Municipal Affairs.

H. P. Brownlee—Provincial Statistician, Department of Trade and Industry.

Jack Anderson—Formerly of the Economics Division, Dominion Department of Agriculture.

B. K. Acton—Economics Division, Dominion Department of Agriculture.

Preparing for Interviews

In order that the most effective contact might be established between the interviewer and the co-operator, a series of instructional pamphlets was prepared and distributed in quantity to all regional committees.

Supplementary to the printed instructions a one-day conference of regional committee chairmen and secretaries was held in Edmonton on January 4th, at which the Chairman of the Reconstruction Committee presented the purpose and plans of that organization, and members of the Survey Management Committee discussed in detail the survey schedules and the questions included therein.

This conference proved to be one of vital importance, not only in providing adequate and accurate information to those responsible in the field for the distribution and collection of the survey schedules, but also in focussing interest and attention on the individuals part in post-war planning and projects.

Twenty-four of the twenty-five regions were represented at the conference.

Tabulation

By arrangement with the Minister of Municipal Affairs, Honourable C. E. Gerhart, and with the co-operation of Mr. A. Soutter, Deputy Minister, the facilities of the International Business Machine Accounting Machines of the Department were made available for Hollerith card punching and tabulation. About 2,500 household cards were punched and tabulated under the skilled direction of Mr. Graham Stewart, Chief of the Accounting Machine Department, to whom the Committee owes much for the care, and skill and detail in which the task was undertaken. The results of these tabulations formed the basis of the Preliminary Report issued by the Committee on March 15, 1945.

After the publication of the Preliminary Report, it was decided to present to each Census Division as complete a picture as possible of the purchasing plans of its residents. As it was not possible to obtain use of the Machines of the Department of Municipal Affairs for this further analysis, it was necessary to hand tabulate the schedules in order to get the information desired. This accounts for the lapse of time since the first Preliminary Report was issued.

Coverage of the Province

By the assistance of the regional committees, questionnaires were distributed in more than eighty named locations in the Province. Co-operating householders were picked at random in each of these localities.

The Survey

It was intended that the survey schedules be distributed, answered, collected and returned to the provincial committee within three weeks, but heavy snow and frigid temperatures intervened, so that a number of regions could not complete the task within the time limit set.

During the month of February sufficient records had been received to proceed with the editing and coding of the schedules. In quarters provided through the co-operation of the City of Edmonton, members of the Edmonton Women's Volunteer Bureau assisted in the preparation of the schedules for punch carding. All records were carefully examined and approximately 2,500 usable ones were obtained, representing nearly a 3% sample of the non-farm households of the Province.

Table 1
SUMMARY OF NON-FARM HOUSEHOLDERS' PURCHASING PLANS

Census Division No.	Home Buying	Home Building	Housing Expendi- tures	Household Appliances	Furniture	Home Furnishings	New Auto.	Used Automobiles and Accessories	TOTAL PURCHASES
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	1,187,387	1,335,637	785,485	1,042,865	857,754	419,058	788,235	237,921	6,654,342
2	1,449,928	2,792,883	3,547,516	2,266,034	1,344,097	767,558	1,648,196	667,324	14,483,536
3	.....*	55,000	70,821	195,804	85,670	68,492	34,600	416,130	926,517
4	67,500	400,000	664,184	342,154	78,480	404,718	159,460	53,419	2,169,915
5	27,000	1,735,518	400,364	413,381	288,060	98,133	191,885	182,890	3,337,231
6 Ex. Calg.	.....*	2,589,549	3,347,711	1,469,133	1,030,157	391,313	1,967,274	492,090	11,287,227
7	39,000	227,928	461,493	400,101	186,828	103,182	1,093,015	17,600	2,529,147
8	2,932,040	2,553,987	2,263,823	1,943,852	537,982	443,534	1,093,937	380,255	12,149,410
9	236,250	2,070,250	1,333,011	934,621	550,392	381,139	1,417,504	228,186	7,151,353
10	391,500	175,500	714,517	493,640	267,119	158,708	743,322	52,572	2,996,878
11 Ex. Edm.	.....	2,156,657	1,010,155	567,328	451,242	155,937	826,100	336,032	5,503,451
12	186,000	1,100,700	124,180	221,635	82,530	107,457	336,326	31,752	2,190,580
13	.....*	125,688	427,802	246,141	75,582	50,199	40,536	10,380	976,308
14	31,000	1,353,300	1,646,499	1,603,994	494,784	185,377	26,165	208,537	5,549,656
15*	.....	1,678,450	388,236	561,670	626,475	216,690	58,244	16,936	3,546,701
16	.....*	1,574,500	337,699	527,575	591,690	202,632	45,378	13,357	3,312,831
17**	.....*	295,703	477,252	289,694	131,926	67,233	100,873	26,352	1,389,033
Calgary	10,599,852	20,011,115	4,995,152	7,092,724	6,381,430	4,012,234	5,842,306	2,671,295	61,606,108
Edmonton	10,744,686	21,484,642	4,134,614	6,957,214	5,445,512	368,068	4,317,047	1,297,894	56,749,677
Totals	27,892,143	63,716,987	27,150,514	27,569,560	19,507,710	10,601,662	20,730,403	7,340,922	204,509,901

*Records reveal no buying intentions.

**See Footnote Table 2.

Table 2
HOME BUYING PLANS BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures ***	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	16.9	1,137,387	619	1,918
2	5.8	1,449,928	511	2,837
3	*	*	*	*
4 .....	.9	67,500	27	2,500
5 .....	.6	27,000	10	2,700
6 Ex. Calg.	*	*	*	*
7 .....	.9	39,000	18	2,166
8	19.0	2,932,040	1,001	2,929
9	4.1	236,250	96	2,460
10	5.2	391,500	126	3,107
11 Ex. Edm.	*	*	*	*
12	13.1	186,000	186	1,000
13	*	*	*	*
14 .....	.9	31,000	14	2,214
15**	*	*	*	*
16	*	*	*	*
17**	*	*	*	*
Calgary	12.8	10,599,852	2,899	3,656
Edmonton	13.9	10,744,686	3,131	3,431
Totals and Averages	9.4	27,892,143	8,638	3,229

*Records Reveal No Buying Intentions.

**Because of scattered population and unfortunate weather conditions at the time the survey was made, an adequate sampling was not procured in Census Divisions 15 and 17. In order that the study be complete for the Province, it was decided to use an arbitrary estimate for these two Census Divisions. Due to similarity of conditions prevailing in adjacent Census Divisions and after careful consideration, the same percentages as revealed by the samples in Census Division 13 were used for Census Division 17, and those in Census Division 16 for Census Division 15. Further study shows this assumption to be reasonable.

***All estimates in this report were arrived at from the sample data after adjustment of these data for income distribution of families.

Table 3
HOME BUILDING PLANS BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	14.7	1,335,657	537	2,487
2	11.3	2,792,883	992	2,815
3 .....	.9	55,000	10	5,500
4	2.6	400,000	80	5,000
5	36.8	1,735,518	578	3,002
6 Ex. Calg.	17.1	2,589,549	1,020	2,538
7	4.8	227,928	94	2,424
8	13.1	2,553,987	689	3,706
9	23.3	2,070,250	541	3,820
10	1.5	175,500	36	4,875
11 Ex. Edm.	28.5	2,156,657	756	2,852
12	27.8	1,100,700	396	2,779
13	2.8	125,668	34	3,696
14	32.7	1,353,300	476	2,843
15**	47.8	1,678,450	602	2,788
16	48.1	1,574,500	566	2,781
17**	6.2	295,703	80	3,696
Calgary	21.9	20,011,115	4,945	4,046
Edmonton	24.8	21,484,642	5,606	3,832
Totals and Averages	19.5	63,716,987	18,037	3,533

**See Footnote Table 2.

Table 4
HOUSING EXPENDITURES PLANNED BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	56.1	785,485	2,060	576
2	81.1	3,547,516	7,136	497
3	5.7	70,821	61	1,161
4	91.2	664,184	2,795	237
5	41.4	400,364	650	615
6 Ex. Calg.	97.3	3,347,711	5,791	578
7	76.3	461,493	1,485	310
8	62.3	2,263,823	3,277	690
9	74.7	1,333,011	1,742	765
10	78.4	714,517	1,904	375
11 Ex. Edm.	61.2	1,010,155	1,726	580
12	30.4	124,180	432	287
13	67.3	427,802	827	517
14	98.3	1,646,499	1,429	1,151
15**	50.1	388,236	631	615
16	50.0	357,699	589	607
17**	68.2	477,252	880	542
Calgary	50.6	4,995,152	11,476	435
Edmonton	43.9	4,134,614	9,915	417
Totals and Averages	59.7	27,150,514	54,806	495

**See Footnote Table 2.

Table 5
DETAILS OF HOUSING EXPENDITURES PURCHASES

Additions and Alterations	\$10,354,000
Outside Paint	4,675,000
Inside Decorations	3,822,000
New Plumbing	3,812,000
New Heating	2,098,000
Other Housing Expense	2,390,000
TOTAL	\$27,151,000

Table 6
HOUSEHOLD APPLIANCES PURCHASES PLANNED BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	85.7	1,042,865	3,146	331
2	83.1	2,266,034	7,312	309
3	98.4	195,804	1,053	185
4	96.4	342,154	2,955	115
5	82.1	413,381	1,289	320
6 Ex. Calg.	85.1	1,469,133	4,969	295
7	98.8	400,101	1,927	207
8	79.8	1,943,852	4,195	463
9	98.3	934,621	2,283	409
10	87.9	493,640	2,135	231
11 Ex. Edm.	77.7	567,328	2,064	274
12	81.5	221,635	1,159	191
13	68.1	246,141	837	293
14	99.1	1,603,994	1,441	1,113
15**	97.9	561,670	1,236	454
16	99.1	527,575	1,157	455
17**	62.3	289,694	904	320
Calgary	84.1	7,092,724	19,079	371
Edmonton	85.7	6,957,214	19,143	363
Totals and Averages	85.2	27,569,560	78,284	352

**See Footnote Table 2.

Table 7
DETAILS OF HOUSEHOLD APPLIANCES PURCHASES

Stoves	
Gas	\$2,419,000
Electric	986,000
Coal	554,000
Refrigerators	
Ice	562,000
Electric	8,034,000
Gas	2,162,000
Sewing Machines	
Treadle	277,000
Electric	1,655,000
Washing Machines	
Power	386,000
Electric	2,940,000
Vacuum Cleaners	2,303,000
Heaters	
Electric	99,000
Gas	230,000
Coal	95,000
Radios	3,843,000
Other Appliances	1,024,000
TOTAL	<u>\$27,569,000</u>

Table 8
FURNITURE PURCHASES PLANNED BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	63.8	857,754	2,340	366
2	59.0	1,344,097	5,092	263
3	50.9	85,670	544	157
4	7.8	78,480	240	327
5	72.0	288,060	1,121	256
6 Ex. Calg.	57.6	1,030,157	3,430	300
7	69.7	186,828	1,359	137
8	66.2	537,982	3,484	154
9	72.5	550,392	1,683	326
10	54.0	267,119	1,312	203
11 Ex. Edm.	61.8	451,242	1,291	349
12	47.3	82,530	673	122
13	36.9	75,582	454	166
14	67.4	494,784	980	504
15**	96.5	626,475	1,215	515
16	97.2	591,690	1,144	517
17**	42.3	131,926	545	242
Calgary	65.3	6,381,430	14,805	431
Edmonton	63.6	5,445,512	14,390	378
Totals and Averages	61.2	19,507,710	56,102	348

**See Footnote Table 2.

Table 9
DETAILS OF FURNITURE PURCHASES

Living Room	\$5,869,000
Dining Room	3,402,000
Bedroom	4,744,000
Kitchen	1,141,000
Piano	3,673,000
Other Furniture	679,000
TOTAL	\$19,508,000

Table 10

HOME FURNISHINGS PURCHASES PLANNED BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	66.7	419,058	2,448	171
2	80.8	767,558	7,105	108
3	96.1	68,492	1,028	66
4	91.1	404,718	2,795	145
5	65.9	98,133	970	101
6 Ex Calg.	67.9	391,313	4,048	97
7	72.0	103,182	1,404	73
8	68.7	443,534	3,604	123
9	95.9	381,139	2,224	171
10	60.3	158,708	1,463	109
11 Ex. Edm.	48.6	155,937	1,291	121
12	98.2	107,457	1,397	76
13	36.2	50,199	445	113
14	98.6	185,377	1,431	130
15**	97.8	216,690	1,319	164
16	98.2	202,632	1,156	175
17**	40.7	67,233	424	159
Calgary	75.3	4,012,234	17,076	235
Edmonton	70.0	2,368,068	15,836	149
Totals and Averages	73.5	10,601,662	67,464	157

**See Footnote Table 2.

Table 11
NEW AUTOMOBILE PURCHASES PLANNED BY CENSUS
DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	17.2	788,235	632	1,247
2	14.4	1,648,196	1,270	1,297
3	2.9	34,600	29	1,193
4	4.4	159,460	134	1,190
5	11.2	191,885	176	1,090
6 Ex. Calg.	30.1	1,967,274	1,540	1,277
7	38.6	1,093,015	749	1,459
8	16.3	1,093,937	859	1,273
9	48.6	1,417,504	1,127	1,257
10	24.9	743,322	606	1,226
11 Ex. Edm.	25.3	826,100	671	1,231
12	19.5	336,326	277	1,214
13	2.6	40,536	32	1,266
14	1.2	26,165	17	1,538
15**	3.7	58,244	46	1,265
16	3.1	45,378	36	1,260
17**	6.2	100,873	80	1,260
Calgary	20.9	5,842,306	4,754	1,228
Edmonton	14.9	4,317,047	3,362	1,284
Totals and Averages	17.8	20,730,403	16,397	1,264

**See Footnote Table 2.

Table 12
USED AUTOMOBILE AND CAR ACCESSORIES PURCHASES*
PLANNED BY CENSUS DIVISIONS

Census Division	Percentage of all Families Planning Expenditures	Total Planned Expenditures for all Families	Estimated Number of Families Planning Expenditures	Average Expenditure per Family
	%	\$	No.	\$
1	27.8	237,921	1,020	233
2	23.9	667,324	2,106	316
3	48.6	416,130	520	800
4	9.6	53,419	293	182
5	22.0	182,890	346	528
6 Ex. Calg.	30.2	492,090	1,796	273
7	2.3	17,600	44	400
8	42.3	380,255	2,207	172
9	46.8	228,186	1,086	210
10	22.9	52,572	555	94
11 Ex. Edm.	42.8	336,032	1,074	312
12	17.7	31,752	251	126
13	2.8	10,380	35	296
14	32.7	208,537	476	437
15**	5.1	16,936	64	264
16	4.4	13,357	52	256
17**	6.9	26,352	89	296
Calgary	39.4	2,671,295	8,933	299
Edmonton	25.6	1,297,894	5,813	223
Totals and Averages	28.1	7,340,922	26,760	274

*Includes overhauls.

**See Footnote Table 2.

Table 13
METHODS OF PAYMENT

	\$	%
Savings	76,691,213	37.5
Current Income	53,990,614	26.4
Instalment Credit	32,517,074	15.9
Borrowing	41,311,000	20.2
Totals	204,509,901	100.0

Table 14

FINANCING ALL EXPENDITURES

Percentage of families using various methods of financing all planned expenditures:

Out of Savings.....	78.0%
Out of Current Income.....	64.0%
By Instalment Credit.....	26.4%
By Borrowing.....	18.0%

Table 15

**EXPECTATION OF RATES OF INTEREST AT WHICH MONEY
WILL BE AVAILABLE**

Interest Rate	Percentage of Families
Less than 3%	3%
3%	24%
4%	29%
5%	31%
6%	12%
Over 6%	1%
	<hr/> 100% <hr/>

Table 16

VICTORY LOANS

Pay-roll Savings and General Purchases (not including special names) in 9 Victory Loans	\$277,496,850
In addition some Savings were made in the first two War Loans which preceded the Victory Loans.....	12,785,900
	<hr/> \$290,282,750 <hr/>

Note:—These figures do not include "special names" and government purchases, but show the amount of Victory Bonds in the hands of small businesses and individuals.

Table 17
ENLISTMENTS FROM ALBERTA TO DECEMBER 31, 1944

(including non-farm and farm families)

	Male	Female	Total
Navy	7,659	513	8,172
Army	40,559	1,766	42,325
Air Force	19,770*	1,844*	21,614*
Total Enlistments	67,988	4,123	72,111
*R.C.A.F. only, less casualties or returned to civil life.....	3,087	354	3,441
	64,901	3,769	68,670
Estimated number of casualties and returnees to civil life (Army and Navy).....	6,000	750	6,750
Net Enlistments	58,901	3,019	61,920

Table 18
**EMPLOYMENT INTENTIONS OF PERSONS RETURNING
 TO ALBERTA**

Number of Families reporting members in Armed Services or War Work	25,354
Members of Families absent including those on War Services, War Work, etc., but expecting to return home.....	32,840
Less number expected to return to former employment	13,925
Total number expected to seek new employment.....	18,915
Number of Males in Armed Services expected to seek new employment	16,500
Number of Females in Armed Services expected to seek new employment	799
Number of War Workers, etc., expected to seek new employment	1,616
Total number expected to seek new employment.....	18,915



ALBERTA POST-WAR RECONSTRUCTION COMMITTEE
SURVEY MANAGEMENT COMMITTEE

HOUSEHOLDERS' QUESTIONNAIRE

Code No.

You are asked to record your planned expenditures in the expectation that your income is reasonably maintained in the future.

I. PLANNED POST-WAR PURCHASES

A. Housing Expenditures

	Amount \$
1. New House: Buy	
Build	
Type: Storeys	
Frame 1 1½ 2	
Stucco 1 1½ 2	
2. Additions and Alterations	
3. Outside Paint or Finish	
4. Inside Decorating	
5. New Plumbing	
6. New Heating:	
Coal	
Gas	
7. Other Housing Expense	
Total \$	
Order of Preference (1)	
(2)	
(3)	

Comments:

.....

.....

.....

B. Household Equipment and Appliances

	Amount \$
1. Stove: Gas	
Electric	
Coal	
2. Refrigerator:	
Ice	
Electric	
Gas	
3. Sewing Machine:	
Treadle	
Electric	
4. Washing Machine:	
Power	
Electric	
5. Vacuum Cleaner:	
Electric	
6. Heater: Electric	
Gas	
Coal	
7. Radio	
8. Other Appliances	
Total \$	
Order of Preference (1)	
(2)	
(3)	

Comments:

.....

.....

.....

C. FurnitureAmount
\$

1. Living Room
2. Dining Room
3. Bed Room
4. Kitchen
5. Piano
6. Other

Total \$

- Order of Preference (1)
- (2)
- (3)

Comments:

E. Clothing

1. Overcoats
 - (a) Men
 - (b) Women
2. Fur Coats
3. Suits
4. Dresses
5. Other Woollen
Clothing
6. Other Cotton
Clothing
7. Boots and Shoes

Total \$

- Order of Preference (1)
- (2)
- (3)

Comments:

D. Home FurnishingsAmount
\$

1. Drapes, Curtains
2. Rugs, Carpets
3. Linens
4. Blankets
5. Linoleum
6. Silverware
7. China
8. Other

Total \$

- Order of Preference (1)
- (2)
- (3)

Comments:

F. Automobile

1. Car
 - (a) New
 - (b) Used
2. Overhaul
Present Car
3. New Tires (No.....)
4. Radio
5. Heater

Total \$

- Order of Preference (1)
- (2)
- (3)

Comments:

II. FINANCING POST-WAR PURCHASES

1. The expenditure you are planning amounts to \$
2. What part of this expenditure do you expect to finance out of:
 1. Savings \$
 2. Current Income \$
 3. Instalment Credit \$
 4. Borrowing \$
3. At what rate of interest do you expect to be able to borrow?....
4. If you are planning to buy or build a house, how do you expect to finance this?
 1. Savings \$
 2. Current Income \$
 3. Instalment Credit \$
 4. Borrowing \$

III. FAMILY

A. Members of Family Now at Home

B. Members of Family Absent But Expected to Return Home

	No.	Present Occupation	Anticipated Post-War Occupation
1. Males, 15 yrs. and over
2. Females, 15 yrs. and over
3. Children	X X X	.....
Totals

4. Number of Domestics employed 1939 Now.....Post-War.....

		Check Number Expecting to:—	
	No.	(1) Return to former Employment	(2) Seek New Employment
1. From Armed Forces	M. F. ....	..... .....	..... .....
2. From War Work ..	M. F. ....	..... .....	..... .....
3. Other	M. F. ....	..... .....	..... .....
Totals	.....	.....	.....

IV. INCOME OF FAMILY AT HOME

Is the Income of the family less than \$1,500?
\$1,500—\$2,600?
\$2,600—or more?
.....
.....

V. GENERAL COMMENTS OF HOUSEHOLDER ON COMMUNITY NEEDS, HEALTH, EDUCATION, RECREATION, BUSINESS, ETC.:

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VI. REMARKS OF ENUMERATOR

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pt.2.
Alberta. Post-War Reconstruction
Committee.

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Alberta Post-War
Reconstruction
Committee

R E P O R T

On SURVEY of
Retail, Service and
Industrial
Establishments



Appendix 2

Part 3

JANUARY
1946



REPORT

of the

Post-War Reconstruction Committee

1945

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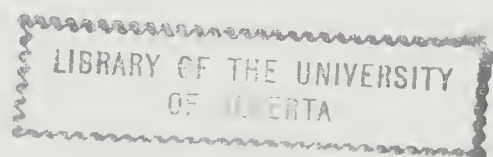
Published in Sections as follows :

1. Agriculture, Land and Soldier Settlement.
2. Education and Vocational Training.
3. Finance.
4. Industry.
5. Natural Resources.
6. Public Works.
7. Social Welfare.

APPENDICES

1. Tourist Trade In Alberta.
2. Alberta Post-War Survey (3 Parts).





Wednesday,
January Twenty-Third,
1946.

HON. C. E. GERHART,
Minister of Trade and Industry,
Edmonton, Alberta.

Dear Sir:

It gives me pleasure to submit to you the final report on the employment possibilities and post-war development plans of industry throughout the Province, based on the findings of a survey conducted last fall by the Survey Management Committee.

In addition, there is a final summarization of the employment possibilities and planned post-war expenditures of retail and service establishments, based on a similar survey.

This constitutes the final report of a series of three, which form Appendix 2, Parts 1, 2 and 3 of the Alberta Post-War Reconstruction Committee Reports.

The Committee has received generous support from all of those who responded promptly to the various questionnaires which were sent to them. The degree of this co-operation merits our recognition and appreciation. The local Boards of Trade and Chambers of Commerce throughout the Province, farm organizations and women's volunteer bureaus, where these are established, and especially the Women's Volunteer Service Bureau of Edmonton, gave exceedingly useful assistance in providing workers who distributed questionnaires throughout the entire Province.

May I call attention also to the excellent co-operation extended by individuals in government service who contributed to the production of the reports, especially to Mr. H. P. Brownlee, Provincial Statistician with the Department of Trade and Industry; Mr. Graham Stewart, Director of the Accounting Machine Department, Department of Municipal Affairs, and to Mr. W. D. King, the Deputy Minister of Trade and Industry, all of whom assisted with counsel and advice at important periods of the studies.

In addition to the above, special appreciation is tendered to Dr. C. C. Spence and the staff of the Economics Division, Dominion Department of Agriculture; to Professor Andrew Stewart, University of Alberta; to H. D. Carrigan, Secretary of the Reconstruction Committee, and to W. G. Montgomery, M.A., for special technical services, advice and co-operation.

With the presentation of these reports, the Committee believes that the duties assigned to it have been completed.

Yours truly,

REG. T. ROSE,
Chairman,
Survey Management Committee.

The Survey Committee

» » « «

The Survey Management Committee was appointed by the Post-War Reconstruction Committee of the Government for the purpose of securing from the people of the Province as producers, distributors, and consumers,—

- (a) A report of the changes affecting them, which have occurred during the five years of war;
- (b) A statement of their expectations and plans for the post-war years;
- (c) Their suggestions of ways and means of facilitating the transition from a war-time to a peace-time economy; and
- (d) Their recommendations for expanding industry, production, services, and employment in the Province in the period after the war ends.

It was anticipated that the information secured would be of special value to the subcommittee of the Post-War Reconstruction Committee in respect of the recommendations made by these subcommittees of the main Reconstruction Committee.

The Survey Management Committee consisted of the following:

REG. T. ROSE, Chairman.....	Executive-Secretary, Edmonton Chamber of Commerce.
ANDREW STEWART.....	Department of Political Economy, University of Alberta.
WILLIAM ANDERSON.....	Industrial Commissioner, City of Calgary.
RUDOLPH HENNIG.....	United Farmers of Alberta.
DAVID ROBERTS.....	Alberta Association of Municipal Districts.
R. J. GIBB.....	City Commissioner, Edmonton, Union of Alberta Municipalities.
WM. HAWRELAK, JR.....	Alberta Farmers' Union.
J. A. CHRISTIANSEN.....	Edmonton Chamber of Commerce.
DR. C. C. SPENCE.....	Economics Division, Dominion Department of Agriculture.
FRED CHALK.....	City of Calgary and representative of Southern Alberta.
E. J. MARTIN.....	Chairman, Subcommittee on Public Works, Alberta Post-War Reconstruction Committee.
H. D. CARRIGAN.....	Secretary, Alberta Post-war Reconstruction Committee.

ALBERTA POST-WAR RECONSTRUCTION COMMITTEE



Survey Management Committee

Survey of:

- (a) Retail and Service establishments;
- (b) Industrial establishments.

A survey of the retail and service establishments was undertaken in February, 1945, and of the industrial establishments in October and November, 1945.

The objects of the survey were:

(a) To record the employment situation in these various establishments; to consider the relationship of those who expected to return to their former employment following service in the Armed Forces; to secure data as to the potential employment in the post-war period;

(b) To secure an estimate of the total volume of purchasing in the post-war period for new equipment, new buildings and other supplies which will contribute to the development of employment possibilities;

(c) To secure information as to how such proposed expenditures can be financed.

SURVEY COMMITTEE

The report on agricultural survey plans (Appendix 2, Part 1) carried the terms of reference made to the Survey Committee by the Post-War Reconstruction Committee.

ORGANIZATION.

The Survey Management Committee in making the Province-wide survey was assisted by twenty-five regional committees which were set up immediately following the appointment of the Survey Management Committee. These committees consisted of a chairman, a secretary, and a number of key workers who were responsible for the organization of the region in which the committee was located, the instruction of interviewers, the disposition and collection of the survey schedules, and the filing of the records with the provincial office. In each case the assistance of the regional committees has been excellent and appreciation is recorded of the very fine contribution made by those committees towards the success of the survey.

While exact figures are not available, a fairly complete list of those who assisted in the work of the regional committees numbers in excess of 1,200. All these persons gave freely of their time and effort without remuneration of any kind.

- Region 1**—Chairman, Alderman S. F. Scott, Medicine Hat, Alberta.
Secretary, F. Blackburn, Medicine Hat, Alberta.
- Region 2**—Chairman, D. Oland, Lethbridge, Alberta.
Secretary, Mrs. W. Armstrong, Lethbridge, Alberta.
- Region 3**—Chairman, J. S. Low, Cardston, Alberta.
Secretary, O. D. Steed, Cardston, Alberta.
- Region 4**—Chairman, Mayor T. J. Cumberland, Pincher Creek, Alberta.
Secretary, Henry E. Hammond, Pincher Creek, Alberta.
- Region 5**—Chairman, Clark Collwell, High River, Alberta.
Secretary, Clayton M. Young, High River, Alberta.
- Region 6**—Chairman, Dr. Max Robinson, Brooks, Alberta.
Secretary, C. T. Schon, Brooks, Alberta.
- Region 7**—Chairman, Alderman Fred Chalk, Calgary, Alberta.
Secretary, T. B. Riley, Calgary, Alberta.
- Region 8**—Chairman, Mayor A. A. Dunkley, Olds, Alberta.
Secretary, Dr. James Murray, Olds, Alberta.
- Region 9**—Chairman, J. W. McPhee, Drumheller, Alberta.
Secretary, John A. Mackay, Drumheller, Alberta.
- Region 10**—Chairman, Mayor I. F. Shacker, Hanna, Alberta.
Secretary, Cyril A. Coughlin, Hanna, Alberta.
- Region 11**—Chairman, W. S. Mackie, M.L.A., Stettler, Alberta.
Secretary, Fred Biggs, Stettler, Alberta.
- Region 12**—Chairman, Mayor T. W. Wilks, Lacombe, Alberta.
Secretary, W. Jackson, Lacombe, Alberta.
- Region 13**—Chairman, Neil Nelson, Ponoka, Alberta.
- Region 14**—Secretary, A. E. F. Cary, Camrose, Alberta.
- Region 15**—Chairman, Charles Wilberham, Wainwright, Alberta.
Secretary, P. M. Armishaw, Wainwright, Alberta.
- Region 16**—Chairman, Mayor J. W. G. Morrison, Vermilion, Alberta.
Secretary, E. H. Buckingham, Vermilion, Alberta.
- Region 17**—Chairman, A. E. Gudmundson, Vegreville, Alberta.
Secretary, H. H. Hacker, Vegreville, Alberta.
- Region 18**—Chairman, J. McKenzie, Edmonton, Alberta.
Secretary, A. McLean, Edmonton, Alberta.
- Region 19**—Chairman, John Kask, Sangudo, Alberta.
Secretary, A. E. Saunders, Sangudo, Alberta.
- Region 20**—Chairman, C. R. Ford, Edson, Alberta.
Secretary, C. M. Clark, Edson, Alberta.
Chairman, P. A. Noullett, Jasper, Alberta.
- Region 21**—Chairman, H. G. Bessent, Grande Prairie, Alberta.
Secretary, Mrs. Mary Moore, Grande Prairie, Alberta.
- Region 22**—Chairman, Dr. G. F. Casper, Peace River, Alberta.
Secretary, Hugh B. Wilson, Peace River, Alberta.

- Region 23**—Chairman, F. Mills, Athabaska, Alberta.
Secretary, J. P. Evans, Athabaska, Alberta.
- Region 24**—Chairman, H. A. Kostash, Smoky Lake, Alberta.
Secretary, G. Kolotyluk, Smoky Lake, Alberta.
- Region 25**—Chairman, E. Mailloux, St. Paul, Alberta.
Secretary, P. A. Delaney, St. Paul, Alberta.

In some cases supplementary local committees were set up:—

- Region 10**—Chairman, G. K. Hislop, Castor, Alberta.
- Region 15** John L. Muirhead, Sedgewick, Alberta.
H. B. Hay, Sedgewick, Alberta.
T. L. Kenney, Loughheed, Alberta.
R. F. Staples, Hardisty, Alberta.
Lloyd Christensen, Hardisty, Alberta.
J. H. Robertson, Provost, Alberta.

The detail of preparing committees to organize in the various territories assigned to them, the advertising which called public attention to the purposes of the survey and urged co-operation with the canvassers and other information regarding the organizational aspects of the survey were indicated on pages 6, 7, 8 of the Preliminary Report made to the Reconstruction Committee March 15, 1945, and in Appendix 2, Part 2.

BUSINESS SURVEY

RETAIL AND SERVICE ESTABLISHMENTS



CHANGES IN EMPLOYMENT AND EARNINGS

(1) CHANGES ANTICIPATED.

Changes in the number of employees between 1939 and 1944, and changes anticipated in the post-war period are indicated in the following table:

Table 1

NUMBER OF EMPLOYEES 1944 AND POST-WAR AS PER CENT OF 1939

	RETAIL		SERVICE		RETAIL AND SERVICE	
	1944 %	Post-War %	1944 %	Post-War %	1944 %	Post-War %
Male	123	148	149	170	129	153
Female	220	176	214	162	218	170
Averages	143	154	176	166	152	157

(a) Between 1939 and 1944 the number of employees in Retail Trade and Services combined, increased more than 50 per cent. There was a moderate increase in the number of male employees, but female employees more than doubled in number.

(b) In the post-war period, Retail and Service establishments expect there will be a substantial replacement of women employees by men, but that total employment will increase slightly.

(c) The increase in employment since the outbreak of war has been greater in the Service establishments than in the Retail Trade. However, Service establishments expect a decline in employment when the war ends; whereas retail firms expect a continued increase in the number of employees. Some replacement of women by men is expected in both Retail Trade and Services.

A test of the adequacy of the sample suggests that it is reasonably representative. Provincial estimates of the number and sex of employees, based on the survey sample, have been checked against information from the Eighth Census of Canada, 1941. The comparative figures are set as follows:

Table 2

	CENSUS, 1941		POST-WAR SURVEY, 1944	
	Gainfully Occupied, Alberta Number	% of Total	Average Number Employed Number (Provincial Estimates)	% of Total
RETAIL TRADE				
Male	15,129	77	13,321	68
Female	4,624	23	6,268	32
Total	19,753	100	19,589	100
SERVICES*				
Male	6,122	53	3,886	49
Female	5,376	47	4,045	51
Total	11,498	100	7,931	100

*Census: Excluding Domestics.

The Census data, referring to gainfully employed, includes proprietors; the survey estimates referring to employers do not. Dun & Bradstreet report 7,420 retail firms, and 2,253 Service establishments in Alberta. To make the survey estimates more comparable with the Census data, one male proprietor is added for each firm, the Survey estimates of gainfully employed become:

Table 3

	Gainfully Occupied, 1944	
	Number	% of Total
RETAIL		
Male	20,741	77
Female	6,268	23
Total	27,009	100
SERVICE		
Male	6,139	60
Female	4,045	40
Total	10,184	100

On this basis of comparison it appears that the survey sample may include too high a proportion of larger Retail firms. The proportions of male and female employees appear representative.

The size of Service establishment in the sample seem representative; but the proportion of male employees is perhaps high.

This test is necessarily a rough one, as it is probable that significant changes in numbers and sex ratio have occurred in both Retail Trade and Services, since the Census of 1941.

(2) **SALARIES AND WAGES PAID** (including withdrawals by working proprietors and executives).

Changes in total salaries and wages between 1939 and 1944, and changes anticipated in the post-war period, are indicated as follows:

Table 4
SALARIES AND WAGES 1944 AND POST-WAR AS PER CENT OF 1939

	RETAIL		SERVICE		RETAIL and SERVICE	
	1944 %	Post War %	1944 %	Post-War %	1944 %	Post-War %
Working Proprietors and Executives ...	152	133	168	153	155	137
Salaried Employees	162	152	239	213	171	160
Wage Earners	181	153	239	214	193	166
Averages	167	151	205	178	174	156

(a) Between 1939 and 1944 total earnings in Retail Trade and Services combined, increased 74%. With substantial increases in numbers employed, and some increase in wage and salary rates, payments to wage earners and salaried employees increased 93% and 71% respectively. With little change in numbers, withdrawals by working proprietors and executives increased 55%.

(b) In the post-war period, it is expected that total earnings in Retail and Service establishments will decrease, but will remain considerably (56%) above the level of 1939. As a slight increase in employment is expected the estimated decrease in wages and salary payments indicates that employers anticipate some decrease in wage and salary rates. Proprietors also expect decreased earnings.

(3) **EMPLOYEES IN ARMED FORCES AND TEMPORARY EMPLOYEES.**

Retail and Service firms were asked to report the number of former employees in the armed forces, the number of such employees expected to return to their former employment, and the number of temporary employees who might be expected to be laid off at the end of the war. The following table indicates (a) the proportion of former employees now in the armed forces expected to return to their pre-war employment; (b) the returning employees as a percentage of the staff in 1944; and (c) the proportion of temporary employees on the staff in 1944:

Table 5

	Proportion of Employees in the Armed Forces Expected to Return %	Returning Employees as per cent of 1944 Staff %	Temporary Employees as per cent of 1944 Staff %
Retail	46	20	15
Service	55	12.5	20
Averages	47	18	17

(a) Employers in Retail Trade and Services expect about one-half of their enlisted employees to return to their former employment.

(b) If the Retail Trade and Services replaced temporary employees with former employees expected to return from the armed forces there would be a slight increase in numbers employed. This is consistent with the small increase in post-war employment indicated in section (1) CHANGES ANTICIPATED, on page 8.

(c) If Retail firms laid off all temporary employees and re-employed all former employees expected to return from the armed forces, there would be an increase in employment in the Retail Trade. This is consistent with the increase in post-war employment in the Retail Trade indicated in section (1) CHANGES ANTICIPATED, on page 8.

(d) If Service establishments laid off all temporary employees and re-employed all former employees expected to return from the armed forces, there would be a significant decrease in employment in Services. This is consistent with the decrease in post-war employment in Services indicated in section (1) CHANGES ANTICIPATED, on page 8.

(e) The survey returns suggest that former employees of the Retail Trade and Services will be re-employed, replacing emergency temporary employees.

PLANNED POST-WAR EXPENDITURES

The table appended shows the proportion of Retail and Service firms reporting plans for post-war expenditure for various purposes, and provides a preliminary estimate of the amounts to be expended for these purposes by all Retail and Service establishments in the Province.

(a) Although the proportion of firms planning expenditures on new building or accommodation is not large, the aggregate expenditure on extension of premises is relatively great—36% of total expenditure for Retail and Services combined. Retail firms, reporting 39% of total expenditure on new buildings or accommodation indicate greater post-war expansion than the Service establishments anticipate (30%). This is consistent with the expected increase in employment in Retail Trade, recorded under CHANGES IN EMPLOYMENT AND EARNINGS, section (1) CHANGES ANTICIPATED, on page 8.

(b) Retail and Service establishments plan to apply 36% of their total post-war expenditure to modernizing equipment; with Service firms planning a relatively high proportion (40%) for this purpose.

Both types of firms purpose substantial expenditure on new commercial trucks and cars.

(c) The proportion of total expenditure to be applied to repairs and alterations of present accommodation is about the same (27%) for each type of firm. Considerably more than half the expenditure for this purpose is to be applied to general repairs and alterations to premises.

Table 6 PLANNED POST-WAR EXPENDITURES

	RETAIL		SERVICES		RETAIL and SERVICES	
	Percentage Reporting Intention %	Total Planned Expenditure \$	Percentage Reporting Intention %	Total Planned Expenditure \$	Total Planned Expenditure \$	
REPAIRS AND ALTERATIONS TO PRESENT ACCOMMODATION						
General premises	31.0	4,876,424	29.0	1,380,708	6,257,132	
Electrical service	14.2	408,812	11.6	193,258	602,070	
Heating and plumbing	14.5	599,910	12.4	318,761	918,671	
Air conditioning	2.7	119,403	3.7	85,189	204,592	
Floor covering	10.5	246,975	14.9	253,081	500,056	
		6,251,524		2,230,997	8,482,521	
MODERNIZING EQUIPMENT						
Office machinery	8.6	372,662	4.5	81,910	454,572	
Office furniture	8.2	179,490	4.3	32,224	211,714	
Refrigeration	9.2	908,594	11.1	198,211	1,106,805	
New fixtures	16.4	764,201	15.6	484,087	1,248,288	
New trucks	19.7	2,457,185	8.6	527,996	2,985,181	
New Cars	9.0	1,244,111	6.4	1,326,082	2,570,193	
Miscellaneous	18.7	1,827,390	19.7	783,564	2,610,954	
		7,753,633		3,434,074	11,187,707	
NEW BUILDING OR ACCOMMODATION						
Enlarging store or office	10.3	4,409,016	5.3	637,465	5,046,481	
New Branch office or store	2.5	1,286,813	2.7	1,155,302	2,442,115	
New warehouse	5.6	2,085,079	3.1	304,153	2,389,232	
Other extensions	3.5	1,026,594	3.5	332,256	1,358,850	
		8,807,502		2,429,176	11,236,678	
GRAND TOTAL		\$22,812,659		\$8,094,247	\$30,906,906	

FINANCING POST-WAR EXPENDITURES

Business firms were asked to indicate the methods by which they were planning to finance their post-war expenditure, that is, by borrowing, by raising new capital, from current income, or from reserves. The information obtained, and the provincial estimates based on the information are summarized in the following table:

Table 7

	RETAIL			SERVICE		
	Per Cent Reporting Intention %	Per Cent Reporting Intention %	Estimated Provincial Total \$	Estimated Provincial Total \$	Per Cent Reporting Intention %	Estimated Provincial Total \$
Borrowing	22.1	22.7	7,508,000	10,324,000	20.4	2,816,000
New Capital	6.1	6.8	1,415,000	2,087,000	4.9	672,000
Current Income	40.3	38.8	6,094,000	8,571,000	45.1	2,477,000
Reserves	36.3	37.8	7,805,000	9,934,000	32.4	2,129,000
TOTALS .....	.....	.....	22,822,000	30,916,000	.....	8,094,000

Many firms reported more than one method of financing;

(1) About 25% of all Retail and Service firms may be expected to borrow or to raise new capital for post-war expenditures; and about 40% of the total expenditure will be financed from these sources.

(2) More than one-third of all firms have reserves to be used for expenditures on building and equipment, and about one-third of the total expenditure will be met out of reserves.

(3) A substantial proportion of all firms (40%) intend to finance some part of their capital expenditure out of current income; the amount involved being somewhat less than one-third of the total planned expenditure.

(4) Retail firms will rely rather more on reserves; with Service establishments using current income to a larger extent.

INDUSTRIAL SURVEY**OBSERVATIONS.**

1. Throughout the industrial survey, where figures were needed for weighing results and for necessary comparisons, the Dominion Bureau of Statistics reports for 1943 were used. Estimated totals for the post-war period based on these 1943 figures, are probably lower than if 1945 figures had been used, from present incomplete data, 1945 was the high point in Alberta's productive and employment history.

2. The construction industry was not included in the survey.

3. Public utilities, transportation companies, petroleum and natural gas production establishments and central electric stations were not included in the survey.

4. No estimate has been made of the new firms which have indicated they are to establish industry or business in this Province.

5. The response from co-operating firms range from 15 per cent to 52 per cent in each of the classifications listed. The average return in all classifications was 21 per cent.

Appreciation for this splendid response is herewith recorded.

INDUSTRIAL SURVEY

It is believed that the Tables which follow—8 to 47—provide a basis of information for which little interpretation is needed. Any factors which tended to create a disproportionate result were thoroughly checked and, if necessary, weighed to off-set their unusual nature. The construction and other industries noted in the observations, which have potentially large employment possibilities, are not included in the study, as has been indicated, because of the inadequacy of comparative data available and of the inability of contractors to estimate reasonably, the potential construction demand.

However, it would seem evident, that, if the employment opportunities in the construction and other industries not covered in the survey were added, the total jobs available as shown by this study (see Table 8) would be materially increased.

The classifications of industry used are those used by the Dominion Bureau of Statistics and by the Provincial Statistical office.

Table 8

SUMMARY OF EMPLOYMENT POSSIBILITIES OF THE INDUSTRIES SURVEYED IN ALBERTA.*

(Permanent Employment Only)

Industry	NEW JOBS AVAILABLE		
	Male No.	Female No.	Total No.
Vegetable Products	173	42	215
Animal Products	-511	-317	-828
Textiles and Textile Products	12	127	139
Wood and Paper Products	691	91	782
Iron and its Products	1,100	20	1,120
Non-Metallic Mineral Products	-26	17	-9
Chemicals and Chemical Products	-33	16	-17
Miscellaneous Products	75	0	75
Coal Mining	508	-8	500
TOTALS	1,989	-12	1,977

*Projected to cover 100% of the establishments in each of the industries listed above.

Table 9

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE VEGETABLE PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	1,339	311	1,650
Jobs occupied in 1944	1,294	378	1,672
Difference	45	-67	-22
Add employees expected to withdraw from emergency employment	204	89	293
	249	22	271
Less former employees expected to return from war service	166	2	168
New jobs available in establishments surveyed:			
Number	83	20	103
Per cent of 1944 jobs occupied	6.4%	5.3%	6.2%
New Jobs available in the Vegetable Products Industry**	173	42	215

*Questionnaires were received from 93 firms, out of approximately 309 operating in the Vegetable Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 48% of the total employment in the industry, to 100%.

Table 10

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE ANIMAL PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	3,238	1,095	4,333
Jobs occupied in 1944	3,324	1,504	4,828
Difference	-86	-409	-495
Add employees expected to withdraw from emergency employment	63	120	183
	-23	-289	-312
Less former employees expected to return from war service	447	3	450
New jobs available in establishments surveyed:			
Number	-470	-292	-762
Per cent of			
1944 jobs occupied	-14.1%	-19.4%	-15.8%
New jobs available in the Animal Products Industry**	-511	-317	-828

*Questionnaires were received from 68 firms, out of approximately 179 operating in the Animal Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 92% of the total employment in the industry, to 100%.

Table 11
EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE TEXTILES AND TEXTILE PRODUCTS
INDUSTRY.

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War Years	139	610	749
Jobs occupied in 1944	109	555	664
Difference	30	55	85
Add employees expected to withdraw from emergency employment	4	62	66
	34	117	151
Less former employees expected to return from war service	24	14	38
New jobs available in establishments surveyed:			
Number	10	103	113
Per cent of 1944 jobs occupied ..	9.2%	18.5%	17.0%
New jobs available in Textiles and Textile Products Industry**	12	127	139

*Questionnaires were received from 11 firms, out of approximately 21 operating in the Textiles and Textile Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 81% of the total employment in the industry, to 100%.

Table 12

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE WOOD AND PAPER PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	1,173	212	1,385
Jobs occupied in 1944	1,174	242	1,416
Difference	-1	-30	-31
Add employees expected to withdraw from emergency employment	408	62	470
	407	32	439
Less former employees expected to return from war service	179	2	181
New jobs available in establishments surveyed:			
Number	228	30	258
Per cent of 1944 jobs occupied	19.4%	12.4%	18.2%
New jobs available in the Wood and Paper Products Industry**	691	91	782

*Questionnaires were received from 126 firms, out of approximately 814 operating in the Wood and Paper Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 33% of the total employment in the industry, to 100%.

Table 13

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE IRON AND ITS PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	364	12	376
Jobs occupied in 1944	285	14	299
Difference	79	-2	77
Add employees expected to withdraw from emergency employment	21	3	24
	100	1	101
Less former employees expected to return from war service	45	0	45
New jobs available in establishments surveyed:			
Number	55	1	56
Per cent of 1944 jobs occupied ..	19.3%	7.1%	18.1%
New jobs available in the Iron and Its Products Industry**	1,100	20	1,120

*Questionnaires were received from 22 firms, out of approximately 103 operating in the Iron and its Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 5% of the total employment in the industry, to 100%.

Table 14

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE NON-METALLIC MINERAL
PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	811	122	933
Jobs occupied in 1944	803	142	945
Difference	8	-20	-12
Add employees expected to withdraw from emergency employment	219	29	248
	227	9	236
Less former employees expected to return from war service	241	0	241
New jobs available in the establish- ments surveyed:			
Number	-14	9	-5
Per cent of 1944 jobs occupied ..	-1.7%	6.3%	-0.5%
New jobs available in the Non- Metallic Products Industry**	-26	17	-9

*Questionnaires were received from 13 firms, out of approximately 43 operating in the Non-Metallic Mineral Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 53% of the total employment in the industry, to 100%.

Table 15

**EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE CHEMICALS AND CHEMICAL
PRODUCTS INDUSTRY.**

(Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	452	48	500
Jobs occupied in 1944	444	49	493
	8	-1	7
Add employees expected to withdraw from emergency employment	7	16	23
	15	15	30
Less former employees expected to return from war service	47	0	47
New jobs available in the establish- ments surveyed:			
Number	-32	15	-17
Per cent of 1944 jobs occupied ..	-7.4%	31.0%	-3.4%
New jobs available in the Chemicals and Chemical Products Industry**	-33	16	-17

*Questionnaires were received from 7 firms, out of approximately 22 operating in the Chemicals and Chemical Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 97% of the total employment in the industry, to 100%.

Table 16
EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE MISCELLANEOUS PRODUCTS INDUSTRY.
 (Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	13	1	14
Jobs occupied in 1944	9	1	10
Difference	4	0	4
Add employees expected to withdraw from emergency employment	0	0	0
	4	0	4
Less former employees expected to return from war service	1	0	1
New jobs available in establishments surveyed:			
Number	3	0	3
Per cent of 1944 jobs occupied ..	33 1/3%		30%
New jobs available in the Miscel- laneous Products Industry**	75	0	75

*Questionnaires were received from 2 firms, out of approximately 6 operating in the Miscellaneous Products Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 4% of the total employment in the industry, to 100%.

Table 17
EMPLOYMENT POSSIBILITIES FOR ESTABLISHMENTS
SURVEYED* IN THE COAL MINING INDUSTRY.
 (Permanent Employment Only)

	Male No.	Female No.	Total No.
Jobs anticipated in the Post-War years	1,297	15	1,312
Jobs occupied in 1944	1,181	15	1,196
Difference	116	0	116
Add employees expected to withdraw from emergency employment	43	0	43
	159	0	159
Less former employees expected to return from war service	93	1	94
New Jobs available in the establish- ments surveyed:			
Number	66	-1	65
Per cent of 1944 jobs occupied ..	5.6%	-6.7%	5.4%
New jobs available in the Coal Mining Industry**	508	-8	500

*Questionnaires were received from 29 firms, out of approximately 175 operating in the Coal Mining Industry.

**The estimated number of jobs available in this industry was arrived at by projecting the employment of the establishments surveyed, which represented roughly 13% of the total employment in the industry, to 100%.

Table 18
SUMMARY OF POST-WAR DEVELOPMENT, EXPANSION OR IMPROVEMENT OF FACILITIES FOR
ALL INDUSTRIES SURVEYED.*

INDUSTRY	Repairs or Alterations to Present Accommodation \$	Modernizing Equipment \$	New Buildings or Accommodation \$	Total Proposed Expenditures \$
Vegetable Products	241,273	1,016,971	836,384	2,094,628
Animal Products	516,786	1,063,234	1,801,986	3,382,006
Textiles and Textile Products	9,259	76,296	9,877	95,432
Wood and Paper Products	308,143	837,083	314,762	1,459,988
Iron and its Products	482,222	696,444	794,444	1,973,110
Non-Metallic Mineral Products	55,128	374,203	249,615	678,946
Chemicals and Chemical Products .....	.....	53,191	.....	53,191
Miscellaneous Products .....	.....	.....	51,724	51,724
Coal Mining	220,000	597,381	19,048	836,429
TOTALS	1,832,811	4,714,803	4,077,840	10,625,454

*Projected to cover 100% of the establishments in each of the industries listed above.

Table 19
SUMMARY OF REPAIRS OR ALTERATIONS TO PRESENT ACCOMMODATION FOR ALL INDUSTRIES SURVEYED*.

INDUSTRY	Repairs or Alterations to Present Accommodation					Total
	General Premises	Electrical Service	Plumbing and Heating	Air Conditioning	Other Items	
	\$	\$	\$	\$	\$	\$
Vegetable Products	159,309	13,887	19,615	9,904	38,558	241,273
Animal Products	291,429	42,571	42,643	24,929	115,214	516,786
Textiles and						
Textile Products	3,086	6,173				9,259
Wood and Paper Products ..	259,524	13,572	18,024	3,571	13,452	308,143
Iron and its Products	364,444	12,222	37,778	5,556	62,222	482,222
Non-Metallic						
Mineral Products	48,078				7,050	55,128
Chemicals and						
Chemical Products						
Miscellaneous Products						
Coal Mining	150,000	36,667		2,380	30,953	220,000
TOTALS	1,275,870	125,092	118,060	46,340	267,449	1,832,811

*Projected to cover 100% of the establishments in each of the industries listed above.

Table 20**Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Vegetable Products Industry, and Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	82,241	159,309
Electrical Service	7,221	13,887
Plumbing and Heating	10,200	19,615
Air Conditioning	5,150	9,904
Other	20,050	38,558
TOTALS	125,462	241,273

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 52% of the capital invested in the industry, to 100%.

Table 21**Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Animal Products Industry, and Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	204,000	291,429
Electrical Service	29,800	42,571
Plumbing and Heating	29,850	42,643
Air Conditioning	17,450	24,929
Other	80,650	115,214
TOTALS	361,750	516,786

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 70% of the capital invested in the industry, to 100%.

Table 22**Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Textiles and Textile Products Industry, and Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	2,500	3,086
Electrical Service	5,000	6,173
Plumbing and Heating .....	.....	.....
Air Conditioning .....	.....	.....
Other .....	.....	.....
TOTALS	7,500	9,259

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 81% of the capital invested in the industry, to 100%.

Table 23

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Wood and Paper Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	100,000	259,524
Electrical Service	5,700	13,572
Plumbing and Heating	7,570	18,024
Air Conditioning	1,500	3,571
Other	5,650	13,452
TOTALS	129,420	308,143

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 42% of the capital invested in the industry, to 100%.

Table 24

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Iron and its Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	32,800	364,444
Electrical Service	1,100	12,222
Plumbing and Heating	3,400	37,778
Air Conditioning	500	5,556
Other	5,600	62,222
TOTALS	43,400	482,222

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 9% of the capital invested in the industry, to 100%.

Table 25

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Non-Metallic Mineral Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	37,500	48,078
Electrical Service .....	.....	.....
Plumbing and Heating .....	.....	.....
Air Conditioning .....	.....	.....
Other	5,500	7,050
TOTALS	43,000	55,128

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 78% of the capital invested in the industry, to 100%.

Table 26

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Coal Mining Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises	31,500	150,000
Electrical Service	7,700	36,667
Plumbing and Heating		
Air Conditioning	500	2,380
Other	6,500	30,953
TOTALS	46,200	220,000

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 21% of the capital invested in the industry, to 100%.

Table 27

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Chemicals and Chemical Products Industry, and Estimated Expenditure for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises		
Electrical Service		
Plumbing and Heating		NIL
Air Conditioning		
Other		
TOTALS		

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 94% of the capital invested in the industry, to 100%.

Table 28

Proposed Expenditures Repairs or Alterations to Present Accommodation for Establishments Surveyed in the Miscellaneous Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
General Premises		
Electrical Service		
Plumbing and Heating		NIL
Air Conditioning		
Other		
TOTALS		

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 29% of the capital invested in the industry, to 100%.

Table 29

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Vegetable Products Industry, and Estimated
Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	366,000	703,846
Mining Machinery		
Construction Machinery		
Engines (Steam)	20,000	38,461
Engines (Oil)	200	385
Electrical Equipment and Wiring	36,600	70,385
Refrigeration	38,700	74,423
Pumps	6,000	11,537
Machine Tools	1,200	2,308
Industrial Tractors	550	1,058
Office Equipment	2,550	4,904
Office Furniture	1,550	2,981
Scientific Apparatus	500	962
Tools	2,125	4,087
Other Durable Equipment	1,050	2,019
Cars and Trucks	41,800	80,384
Other Items	10,000	19,231
TOTALS	528,825	1,016,971

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 52% of the capital invested in the industry, to 100%.

Table 30

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Animal Products Industry, and Estimated
Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory	513,238	733,196
Mining Machinery .....	.....	.....
Construction Machinery .....	.....	.....
Engines (Steam) .....	.....	.....
Engines (Oil) .....	.....	.....
Electrical Equipment and Wiring	6,250	8,928
Refrigeration	125,300	179,000
Pumps	6,325	9,036
Machine Tools .....	.....	.....
Industrial Tractors .....	.....	.....
Office Equipment	8,226	11,751
Office Furniture	3,500	5,000
Scientific Apparatus	425	607
Tools	300	429
Other Durable Equipment	300	429
Cars and Trucks	79,400	113,429
Other Items	1,000	1,429
TOTALS	744,264	1,063,234

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 70% of the capital invested in the industry, to 100%.

Table 31

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Textiles and Textiles Products Industry, and
Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	30,500	37,654
Mining Machinery		
Construction Machinery		
Engines (Steam)		
Engines (Oil)		
Electrical Equipment and Wiring	5,000	6,173
Refrigeration		
Pumps		
Machine Tools		
Industrial Tractors		
Office Equipment	1,200	1,482
Office Furniture	100	123
Scientific Apparatus		
Tools		
Other Durable Equipment	20,000	24,691
Cars and Trucks	5,000	6,173
Other Items		
TOTALS	61,800	76,296

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 81% of the capital invested in the industry, to 100%.

Table 32

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Wood and Paper Products Industry, and
Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	149,200	355,238
Mining Machinery .....	.....	.....
Construction Machinery .....	.....	.....
Engines (Steam)	1,100	2,619
Engines (Oil)	15,050	35,833
Electrical Equipment and Wiring	15,750	37,500
Refrigeration	600	1,429
Pumps	250	595
Machine Tools	2,000	4,762
Industrial Tractors	53,800	128,095
Office Equipment	4,475	10,655
Office Furniture	550	1,310
Scientific Apparatus .....	.....	.....
Tools	5,800	13,810
Other Durable Equipment	1,100	2,619
Cars and Trucks	71,600	170,476
Other Items	30,300	72,142
TOTALS	351,575	837,083

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 42% of the capital invested in the industry, to 100%.

Table 33

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Iron and its Products Industry, and Estimated
Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	24,500	272,222
Mining Machinery	3,000	33,333
Construction Machinery .....	.....	.....
Engines (Steam) .....	.....	.....
Engines (Oil) .....	.....	.....
Electrical Equipment and Wiring	1,400	15,555
Refrigeration .....	.....	.....
Pumps .....	.....	.....
Machine Tools	6,000	66,667
Industrial Tractors .....	.....	.....
Office Equipment	1,700	18,889
Office Furniture	600	6,667
Scientific Apparatus	4,500	50,000
Tools	2,580	28,667
Other Durable Equipment	700	7,778
Cars and Trucks	17,700	196,666
Other Items .....	.....	.....
TOTALS	62,680	696,444

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 9% of the capital invested in the industry, to 100%.

Table 34

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Non-Metallic Mineral Products Industry, and
Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	78,300	100,385
Mining Machinery	77,562	99,439
Construction Machinery .....	.....	.....
Engines (Steam) .....	.....	.....
Engines (Oil) .....	.....	.....
Electrical Equipment and Wiring	3,000	3,846
Refrigeration .....	.....	.....
Pumps .....	.....	.....
Machine Tools	8,000	10,256
Industrial Tractors .....	.....	.....
Office Equipment .....	.....	.....
Office Furniture	500	641
Scientific Apparatus	500	641
Tools	2,000	2,564
Other Durable Equipment .....	.....	.....
Cars and Trucks	25,950	33,269
Other Items	96,066	123,162
TOTALS	291,878	374,203

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 78% of the capital invested in the industry, to 100%.

Table 35

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Chemical and Chemical Products Industry, and
Estimated Expenditures of the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery	50,000	53,191
Mining Machinery
Construction Machinery
Engines (Steam)
Engines (Oil)
Electrical Equipment and Wiring
Refrigeration
Pumps
Machine Tools
Industrial Tractors
Office Equipment
Office Furniture
Scientific Apparatus
Tools
Other Durable Equipment
Cars and Trucks
Other Items
TOTALS	50,000	53,191

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 94% of the capital invested in the industry, to 100%.

Table 36

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Miscellaneous Products Industry, and
Estimated Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery		
Mining Machinery		
Construction Machinery		
Engines (Steam)		
Engines (Oil)		
Electrical Equipment and Wiring		
Refrigeration		
Pumps		NIL
Machine Tools		
Industrial Tractors		
Office Equipment		
Office Furniture		
Scientific Apparatus		
Tools		
Other Durable Equipment		
Cars and Trucks		
Other Items		
TOTALS		

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 29% of the capital invested in the industry, to 100%.

Table 37

**Proposed Modernizing Equipment Expenditures for Establishments
Surveyed in the Coal Mining Industry, and Estimated
Expenditures for the whole Industry.**

Item	For Establishments Surveyed \$	For All the Industry* \$
Factory Machinery .....	.....	.....
Mining Machinery	103,600	493,333
Construction Machinery	2,500	11,905
Engines (Steam) .....	.....	.....
Engines (Oil)	4,000	19,048
Electrical Equipment and Wiring	3,050	14,524
Refrigeration	100	476
Pumps	1,500	7,143
Machine Tools	5,000	23,809
Industrial Tractors .....	.....	.....
Office Equipment .....	.....	.....
Office Furniture .....	.....	.....
Scientific Apparatus .....	.....	.....
Tools	1,200	5,714
Other Durable Equipment .....	.....	.....
Cars and Trucks	4,000	19,048
Other Items	500	2,381
TOTALS	125,450	597,381

*The estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 21% of the capital invested in the industry, to 100%.

Table 38

SUMMARY OF NEW BUILDINGS OR ACCOMMODATION FOR ALL INDUSTRIES SURVEYED*.

Industry	New Buildings or Accommodation					
	Enlarging Factory or Warehouse \$	Enlarging Office Premises \$	New Factory or Warehouse \$	New Office Premises \$	Other Extensions \$	Total \$
Vegetable Products	405,769	981	328,846	40,231	60,577	836,384
Animal Products	752,771	100,714	211,857	1,000	735,644	1,801,986
Textile and Textile Products	9,877	.....	.....	.....	.....	9,877
Wood and Paper Products ..	131,786	74,524	23,810	61,071	23,571	314,762
Iron and its Products	261,111	.....	311,111	222,222	.....	794,444
Non-Metallic Mineral Products	7,051	10,256	1,282	.....	231,026	249,615
Chemicals and Chemical Products .....	.....	.....	.....	.....	.....	.....
Miscellaneous Products .....	.....	.....	.....	51,724	.....	51,724
Coal Mining	4,762	4,762	.....	.....	9,524	19,048
TOTALS	1,573,127	191,217	876,906	376,248	1,060,342	4,077,840

*Projected to cover 100% of the establishments in each of the Industries listed above.

Table 39

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Vegetable Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	211,000	405,769
Enlarging Office Premises	500	961
New Factory or Warehouse	171,000	328,846
New Office Premises	20,920	40,231
Other Extensions	31,500	60,577
TOTALS	434,920	836,384

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 52% of the capital invested in the industry, to 100%.

Table 40

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Animal Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	526,940	752,771
Enlarging Office Premises	70,500	100,714
New Factory or Warehouse	148,300	211,857
New Office Premises	700	1,000
Other Extensions	514,950	735,644
TOTALS	1,261,390	1,801,986

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 70% of the capital invested in the industry, to 100%.

Table 41

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Textiles and Textile Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	8,000	9,877
Enlarging Office Premises		
New Factory or Warehouse .....		.
New Office Premises		
Other Extensions		-
TOTALS	8,000	9,877

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 81% of the capital invested in the industry, to 100%.

Table 42

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Wood and Paper Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	55,350	131,786
Enlarging Office Premises	31,300	74,524
New Factory or Warehouse	10,000	23,810
New Office Premises	25,650	61,071
Other Extensions	9,900	23,571
TOTALS	132,200	314,762

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 42% of the capital invested in the industry, to 100%.

Table 43

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Iron and its Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	23,500	261,111
Enlarging Office Premises .....	.....	.....
New Factory or Warehouse	28,000	311,111
New Office Premises	20,000	222,222
Other Extensions .....	.....	.....
TOTALS	71,500	794,444

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 9% of the capital invested in the industry, to 100%.

Table 44

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Non-Metallic Mineral Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	5,500	7,051
Enlarging Office Premises	8,000	10,256
New Factory or Warehouse	1,000	1,282
Other Extensions	180,200	231,026
TOTALS	194,700	249,615

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 78% of the capital invested in the industry, to 100%.

Table 45

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Chemicals and Chemical Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse		
Enlarging Office Premises		
New Factory or Warehouse		NIL
New Office Premises		
Other Extensions		
TOTALS		

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 94% of the capital invested in the industry, to 100%.

Table 46

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Miscellaneous Products Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse		
Enlarging Office Premises		
New Factory or Warehouse		
New Office Premises	15,000	51,724
Other Extensions		
TOTALS	15,000	51,724

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 29% of the capital invested in the industry, to 100%.

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Table 47

Proposed New Buildings or Accommodation Expenditures for Establishments Surveyed in the Coal Mining Industry, and Estimated Expenditures for the whole Industry.

Item	For Establishments Surveyed \$	For All the Industry* \$
Enlarging Factory or Warehouse	1,000	4,762
Enlarging Office Premises	1,000	4,762
New Factory or Warehouse .....	.....	.....
New Office Premises .....	.....	.....
Other Extensions	2,000	9,524
TOTALS	4,000	19,048

*Estimated expenditures for the whole industry were arrived at by projecting the results obtained from the establishments surveyed, which represented approximately 21% of the capital invested in the industry, to 100%.

GOV DOC CA2 AL Z3 45R02 append.2
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Committee.

39896680 GOV PUB



000022147029

Date Due

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OCT 04 RETURN

DUE RUTH

APR 19 '80

APR 5 RETURN

JUN 15 '88

JUN 13 RETURN

A GOVERNMENT OF
ALBERTA PUBLICATION

PRINTED BY A. SHNITKA
KING'S PRINTER